# Unemployment Insurance Can Wait

LARGEST CIRCULATION
OF ANY CANADIAN
FINANCIAL PAPER

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## The Nation's Business

**Soaking Rich
What It Means**

**Calgary's Chance
To Save Herself**

**Sir John Aird
Speaks Sagely**

**Newfoundland Should
Not Join Canada**

### Soak the Rich As Public Policy

ROOSEVELT policy, it is forecast, will be to shift the tax burden to capital and income, bringing a wide distribution of wealth. This is the reverse of the Coolidge-Mellon policy of encouraging capital accretions thus providing funds for business expansion. The Mellon type of policy has never had a chance in post-war Canada. The "new" Roosevelt policy has been recent Canadian tax policy; soak the rich and give the governments huge revenues to distribute, thus redistributing or "socializing" wealth.

If Mr. Roosevelt will look across the border he will see that the policy he is said now to favor has almost bankrupted four provinces which have had to borrow over $40,000,000 from the Dominion treasury; it has impaired the credit of the others and it has produced the largest federal deficits in history.

Despite the staggering results of the policy of trying to tax the nation's capital resources out of existence, there are still plenty of economically ignorant demagogues in Canada who think that higher taxes are the remedy for the present condition of affairs, so distressing to workers, farmers and all primary producers.

For instance, one of Toronto's controllers is trying to get through legislation permitting the city to put a surtax on incomes, now taxable at the ordinary mill rate.

* * *

JUST to make a little more clear what excessive taxation really means in a city like Toronto let us trace briefly an important sequence of events. Toronto has developed a harbor area as a site for industries. It borrowed $25,000,000 from "capitalists" to do the job, which means it sold bonds to large and small investors and such custodians of the funds of the masses as life insurance companies. Then it spent the taxpayers' money freely to induce other investors and business men to build plants in the area in order to give the city a return on its investment and to create jobs. And now it is proposed to make the city so unattractive to the sort of people who must be called upon to make good the city's $25,000,000 waterfront investment that new factories will not come and present factories will move out.

* * *

### Calgary Can Save Its Credit Yet

CALGARY'S "saving" of the American premium on her loan payments in New York will not look very big to her in a few months when the city requires more money to refund maturing loans. A city that repudiates a definite contract which it has signed has simply ruined its credit until such time as it decides to play the game. Calgary just now is forgetting that she will have to borrow in the future.

Outright default by Calgary, which would be a declaration of insolvency, would be a less black stain on the city's credit. In the case of default, the city would effect some arrangement with its bondholders, it would give them an opportunity to study the city's administration and finances and to make suggestions for improvement, and it would undertake to pay what it could on its bonds, the amount to be set forth in a specific agreement.

But Calgary has not gone bankrupt; it has simply refused to live up to a bargain it has made. Such an act is a simple repudiation comparable to that of the Southern States whose acts have been so much discussed in Canadian papers recently in connection with the British debt.

There is a great deal of wild talk in some Canadian newspapers in defense of the Calgary "precedent." Already harm is being done to the credit of other Canadian borrowers as New York investment bankers advise sale of Canadian bonds.

American holders of Calgary bonds are not Shylocks or leeches. It should not be forgotten that they are asking for no premium. They are merely asking to be paid in the currency in which Calgary was paid when it sold the bonds and not in a currency that is at a discount of between ten and fifteen per cent. True, Canadian holders of these bonds are asking to be paid in a

(Continued on page 2, col. 3)

# DOMINION COAL MAKES GAINS IN PAST YEAR

### Deficit After Charges is Materially Reduced in 1932

### BANK LOANS LOWER

### Strict Operating Economies Offset Decline of 20 Per Cent in Hoist

From Our Own Correspondent

MONTREAL.—Despite a sharp reduction in mining activity, severe competition from imported products and generally lower sales the position of Dominion Coal Co. has been improved during the past year. Though earnings have been restricted it is expected that the loss will be materially less than shown in the financial statement of 1931, when a deficit of $1,223,072 was reported after all charges.

Liquid position has been strengthened. This has been achieved largely through a reduction in bank loans which at the end of 1931 totalled $458,819; these have been cut to below $100,000. The last balance sheet showed a working capital of $2,656,742 with current assets of $3,525,206 against current liabilities of $868,464.

**Operating Economies Effected**

The improvement in the company's position may be attributed to wage adjustments, benefits of subventions, but primarily to the adherence to strict operating economies. Early in 1932 a Royal Commission recommended that wages in Maritime coal mines be reduced by approximately 10 per cent, a factor which has found reflection in operating costs. But this alone has not been responsible for the company's progress, since mining activity has been reduced

(Continued on page 2, col. 5)

# OTTAWA CUTS $100,000,000 OFF EXPENSES

### But Undoes Economy By Huge Special Expenditures

From Our Own Correspondent

OTTAWA.—With the estimates for the new fiscal year commencing April 1 well under way, it is apparent the Bennett government is determined to make very large economies in the public service and seek to achieve a balanced budget.

Under the pruning knife of Hon. E. N. Rhodes, minister of finance, it begins to look as if ordinary governmental expenditures will soon be getting back to the level of the pre-boom years. If expenditures on account of special policies such as wheat stabilization, unemployment relief and assistance to the provinces could be brought within bounds, a Federal surplus would by no means be impossible of realization.

The story of economy in ordinary governmental activities is impressive. In the boom years these expenditures crept above the $400,000,000 mark. In 1931 Premier Bennett, then acting minister of finance, succeeded in cutting off $10,000,000. In 1932 Mr. Rhodes cut $57,000,000, making a total reduction in two years of $67,000,000. This year the government cannot hope to equal the 1932 record but very substantial cuts are being made in the estimates of all the departments and it would not be surprising if Mr. Rhodes showed another slash of $30,000,000, bringing the cumulative total to approximately $100,000,000.

The effect, in the annual balance sheet, is becoming very marked. Expenditures on ordinary governmental activities have dropped from $400,000,000 to $350.000,000 and this year probably will be whittled away to approximately $320,000,000. Bearing in mind that four items in this total—interest on public debt, pensions, subsidies and post-office—eat up about $230,000,000 per year, it will be seen that not much public money is wasted on

(Continued on page 2, col. 3)

# Canadian Bond Defaults Total $420,471,000 Since 1930

### Corporation Defaults Totalled $224,898,195 in 1932, $174,182,420 in 1931 and $18,837,500 in 1930—Real Estate and Pulp and Paper Issues Most Numerous

Canadian corporation bonds to the principal amount of $420,471,115 have gone into default in the past three years. Of this total, $224,898,195 went into default in 1932; $174,182,420 was the total in 1931 and $18,837,500 in 1930. Two issues have gone in default so far in 1933, another $2,553,000. The total of $420,471,115 is some 30 per cent of the total funded debt of all Canadian corporations at the present time.

Included in this total of defaulted bonds are issues on which some adjustment has been made before default actually occurred. The total, however, does not include companies which may be in technical default through failure to pay taxes or keep sinking fund payments up to date, but which have paid interest regularly. Many of the companies which have contributed to the attached list of defaults, compiled by The Financial Post, have passed through a capital reorganization and are not in default at the present time. In the great majority of such cases bondholders have waived sinking fund payments and interest payments for a stated period while in other cases interest has been reduced.

**Summary of Defaults**

The following summary of defaults indicates briefly the trend in the past three years. In 1929, there were extremely few defaults.

| Year | No. of Companies | No. of Issues | Principal Going in Default $ |
|---|---|---|---|
| 1930 .......... | 19 | 23 | 18,837,500 |
| 1931 .......... | 27 | 44 | 174,182,420 |
| 1932 .......... | 49 | 57 | 224,898,195 |
| 1933* .......... | 2 | 3 | 2,553,000 |
| | †95 | 127 | 420,471,115 |

*To date

†After allowing for duplication of two companies which had different issues default in different years.

Out of 95 companies passing into default on their obligations since 1930, 44 are real estate companies having 54 bond or debenture issues

(Continued on page 5)

# OTTAWA PACTS BUILD TRADE FIELD HOLDS

### British Trade Commissioner Replies to Marcosson Article

The Imperial Conference trade agreements are already diverting Canadian orders from foreign countries to Great Britain, declares Fred M. Field, H. M. Senior Trade Commissioner in Canada and Newfoundland. Mr. Field, in a warm rejoinder to the recent Saturday Evening Post article of Isaac F. Marcosson, who wrote in derogation both of the Conference agreements and of British industrial efficiency, quotes examples of stimulus already given to trade by the Ottawa pacts.

Mr. Field, in a statement to The Financial Post, says:

"I have read the article of Isaac F. Marcosson in a recent issue of the 'Saturday Evening Post' with regard to the Imperial Economic Conference at Ottawa. I have also read the editorial criticism of the article in 'The Financial Post' of the 7th January. I cannot discuss the political aspects of the article but I should like to throw additional light on some of the statements made by Mr. Marcosson with regard to industrial and commercial aspects of United Kingdom trade with Canada.

"Mr. Marcosson states that the average British manufacturer shies at innovation, has a contempt for small orders or any business involving detail and trouble and that he is set in his ways. This is true only of certain British manufacturers and not of the average. It is true of a certain number of manufacturers in probably every industrial country, including the United States. The average British manufacturer has proved by his actions, particularly during the past twenty years, that he welcomes innovations that stand the test of good economics and bookkeeping. Not only that, he has been responsible for many innovations.

**Not Set in Ways**

"The fact that the United Kingdom has not only its manufacturers but its merchant houses dealing successfully with all parts of the world answers the charge of contempt for small orders and for business involving detail and trouble. The facts that for many years past directors and export managers of United Kingdom manufacturing firms have visited markets throughout the world to study them at first hand, to re-arrange their marketing plans, to make necessary changes at their works and sometimes to adopt machinery and methods of other countries which they believe are better than those they are using—these are all facts that answer the charge that the average British manufacturer is set in his ways.

"Again, the writer of the magazine article says that the British steel master is practically a stranger to novelties. This is not the case, as many valuable scientific discoveries and improvements have been made by the technical men of British iron and steel plants. One of the leading manufacturing firms in Scotland, too, has recently set up an establishment to produce Bessemer steel in England.

**Have Sales Offices Here**

"The fact that British post offices are said to be using high speed cancelling machines of United States

(Continued on page 2, col. 6)

# ASBESTOS CORP. SALES DECLINE TO LOW LEVEL

### Total Shipments Last Year Show Sharp Reduction

From Our Own Correspondent

MONTREAL.—Continued declines in total shipments of asbestos during the first 11 months of 1932 indicate the difficulties which Asbestos Corp. has been confronted with in the past year. Though there was a slight stimulus felt in November, cumulative totals of shipments to the end of that month show decreases from the same period in the previous year and a still heavier decline when compared with 1930.

An indication of the curtailment in asbestos mining activity is seen in figures covering shipments of fibres in the first 11 months of last year. These totalled 28,867 tons which compared wih 48,490 tons and 64,366 tons in the corresponding months of 1931 and 1930. Shipments of shorts in bags dropped to 36,925 tons in the first 11 months against 51,178 tons and 68,241 tons in the same period of the two previous years respectively.

**Depreciated Currency Helps**

Though some stabilization has been effected by producers as regards selling prices the improvement can find no real reflection while shipments continue at their present low level. The depreciated value of the dollar has aided sales to some extent but production and shipments for 1932 will show a wide decline from the previous year.

Operations of Asbestos Corp. in 1931 resulted in a loss of $150,341. This loss included expenditures on betterments and development of ore bodies and a further $300,000 was provided for depletion and depreciation. After bond interest, including interest accrued but not paid on first and general mortgage bonds, there was a deficit of $879,581 and deficit at surplus account was increased to $1,646,805.

**Payment from Shawinigan**

A pro forma balance sheet showing the position of the company as at January 1, 1932, revealed $196,875 due from Shawinigan Water and Power Co. on account of the sale of Etchemin Power Co. and it is understood that this sum has been paid to Asbestos Corp. during the past year. Cash interest payments on Asbestos Corp. bonds have been eliminated until 1934 by the reorganization effected early last year; old bonds having been replaced by new income bonds and stock.

It is not generally realized that interest, in the form of stock, is being paid on the $2,361,000 of new general mortgage 6 per cent income bonds. These bonds were issued in exchange for the first mortgage bonds of Asbestos Corp., par for par, and on July 1, 1932, and January 1 last, interest was paid at the annual rate of 5 common shares for each $1,000 bond, a procedure which has involved a total distribution of 11,805 shares of common.

Interest on the income bonds is to be paid in stock up to and including January 1, 1934, unless net income is sufficient to pay cash and the company desires to pay it in this form. After 1934 interest is payable in cash but only to the extent of net income available therefor. Assuming that no cash payment is made until January 1, 1934, interest charges will call for the issuance of another 11,805 shares of common bringing the total outstanding to 125,389 shares.

**Subsidiary Defers Payment**

Cash payments are still being made in interest charges on bonds of subsidiary companies. Maple Leaf Asbestos Corp. is taking advantage of its 90 days grace before meeting its obligations due December 1 last but the management has stated that it is hopeful of paying the interest due before termination of the period of grace. There is outstanding 140,600 of this issue.

Perhaps the most encouraging

(Continued on page 2, col. 6)

# Smelters Dividend Change Hits C. P. R. Special Income

From Our Own Correspondent

MONTREAL. — Change in the record date of the declaration of the 10 per cent stock dividend by Consolidated Mining and Smelting Co. of Canada, from December 31 to January 12, will have an important bearing upon the special income account of the Canadian Pacific Railway for 1932.

Originally the directors met on January 5 and declared the stock dividend retroactive to December 31, 1932. This was opposed by the Montreal and Toronto Stock Exchanges on the ground that under the terms of the listing of the stock due notice had to be given to the exchange of dividend declarations. Such had not been done and the company changed the record date to January 12, 1933.

At the end of 1931 the Canadian Pacific Railway held 291,034 shares of Smelters' stock, or a controlling interest. The 10 per cent stock dividend meant the distribution to the railway company of 29,103 shares of a market value of roughly $1,800,000.

Consequent upon the change in record date, the Canadian Pacific will not be able to take this dividend into its income account for last year. The dropping of $1,800,000 in the special income account will make a marked difference in the company's net corporate income. In fact, it is rather expected that this amount will make all the difference as to whether or not the company is able to show the full dividend earned on its preference stock.

# MANY OPPOSE 2 PER CENT TAX ON INSURANCE

### Agents and Non-Tariff Groups Said to Be Against Impost

### HITS FIRE, CASUALTY

### Tariff Company Officials Also Express Disapproval of Way Surtax Imposed

Strong division of opinion has arisen in fire and casualty insurance circles in Canada with the announcement of the Canadian Fire Underwriters' Association that effective March 1, 1933, a 2 per cent premium tax or surcharge will be imposed on all policies written in Canada. In all probability the move will be officially opposed by agency organizations in Ontario, The Financial Post learns, while opposition is also developing in non-tariff ranks.

The announcement was sent out by the C. F. U. A. to company members and agency organizations throughout Ontario and Quebec and by the British Columbia Underwriters' Association in that province. A similar announcement is being sent to agencies within the jurisdiction of the Western Canada Underwriters' Association of Winnipeg. The action is endorsed by the Canadian Casualty Underwriters' Association and the Canadian Automobile Underwriters' Association.

Differences of opinion may be divided into three categories. Among members of the tariff organization itself individual company officials are doubtful of the soundness of the tax as now proposed, while in addition, there is considerable indecision among leading non-tariff organizations interviewed by The Financial Post caused in part at least by the opposition of agents to the measure. Most active opposition it is believed is coming from the agents themselves.

**Non-tariffs Change Views**

Some time ago a poll of leading non-tariff companies by A. H. Stead, head of the Dominion association embracing tariff and non-tariff companies, revealed that the majority of non-tariff companies were willing to "play-ball" if the plan went across and proved satisfactory to the remainder of the companies. Since that time the opposition of the agents and the dislike of the manner in which the surtax has been introduced have made some of the leading companies change their position. A meeting will probably be held in Toronto toward the end of this week at which non-tariff companies will have a chance to air their views and get the viewpoint of the official body.

No official statement has been made as yet by agency bodies in Ontario but The Financial Post understands that a meeting is being held this week and that in all probability the two most important bodies namely the Toronto Insurance Conference and the Ontario Fire and Casualty Insurance Agents' Association will officially oppose the surcharge. The agents apparently are not taking kindly to the task of having to sell to the public the idea of a 2 per cent increase in premiums at the present time.

**Why Tax Imposed**

The official notice sent out by the C. F. U. A. points out that the surcharge of 2 per cent is being imposed as the lesser of two evils. The other alternative would be an upward revision of premium rates which "in practice, is an extremely long and costly process, the net result of which cannot be attained in less than one or two years." Rather than attempt such a revision the decision has been made to make a "flat percentage charge to be added to all premiums whether on new or renewal policies or endorsements."

Purpose of the surcharge which amounts to 2 per cent of the premium, is said to be to recoup companies in part for the increase in taxation which they have had to bear in recent years and which it

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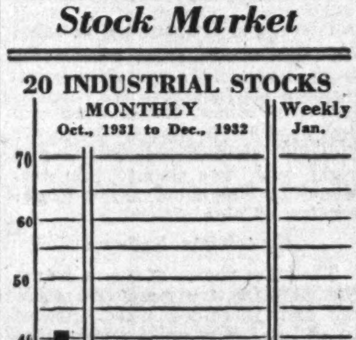
## Stock Market



MARKET RECORD

| 20 Industrial Stocks | High | Low |
|---|---|---|
| Week of Jan. 10 .............. | 27.9 | 26.6 |
| Week of Jan. 3 .............. | 27.3 | 26.2 |
| Month of Jan., 1932 .......... | 35.2 | 32.5 |
| **8 Bank Stocks** | | |
| Week of Jan. 10 .............. | 164 | 162 |
| Week of Jan. 3 .............. | 163 | 160 |
| Month of Jan., 1932 .......... | 210 | 210 |
| **10 Public Utilities** | | |
| Week of Jan. 10 .............. | 46 | 45 |
| Week of Jan. 3 .............. | 46 | 44 |
| Month of Jan., 1932 .......... | 57 | 54 |

# Highlights of the Week

### Events and Topics That Make Articles for The Financial Post This Week

**_Job Insurance_**

Unemployment insurance is the topic of the hour in Canada. Hugh H. Wolfenden, expert in the subject, sets down the basic facts concerning it. Page 1.

**_Real Motor News_**

A different sort of automobile review. The Financial Post sent its own men into the factories to find out about the new 1933 cars. The articles they wrote had the investor as well as the motorist in mind. Pages 17 to 20.

**_What! Economy?_**

Yes, Ottawa is cutting some national expenses; it has reduced normal governmental costs by $100,000,000. But these savings at the spigot are offset by the outpour from the bunghole of special "crisis" expenditures. Page 1.

**_Inflation_**

Amateur and professional economists are urging us to depreciate our dollar to help export trade. A Canadian banker shows the other side of the proposal. Page 11.

**_Wheat Outlook_**

World situation is looking better. Prospects good for sale of large part of Canadian surplus. Page 13.

**_New Business_**

British trade commissioner for Canada defends Imperial Conference agreements from American attack and shows how they have already built new trade. Page 1.

**_C. N. R. Improves_**

The Duff Commission's criticisms of Canadian National Railways operating efficiency compared with Acting President Hungerford's record in 1932. Page 4.

# No Need For Haste; Jobless Insurance Not '33 Panacea

### Actuarial Expert Analyzes Canada's Unemployment Insurance Problem and Sees Unusual Opportunity For Dominion if Caution Exercised

By H. H. WOLFENDEN, F.I.A., F.A.S., F.S.S.
An Address to Canadian Club of Toronto

HIGHLIGHTS OF MR. WOLFENDEN'S ADDRESS

**Loose thinking confuses as insurance** many plans that are merely savings, compensation or pure relief undertakings.

**Unemployment insurance is not a panacea** for this depression, so should be approached carefully and slowly in the light of world experience.

**Sound philosophy on unemployment insurance**, its virtues and limitations, is needed. Recognition that (1) it cannot remove causes of depression; (2) that if it is to be insurance, benefits and contributions must be related on a group basis; (3) that existing plans are only applicable to small group of workers exclusive of agriculturists, seasonal workers, etc.; (4) that insurance plan is only effective in short depression period.

**Final report of British Royal Commission** on Unemployment Insurance just issued is judicial survey of "quite exceptional importance and embodies recommendations of profound significance." The present British scheme costs taxpayers £100,000,000 annually.

**Wisconsin plan deemed "neither fair nor sound"** because it deliberately excludes both insurance and savings features from its plan and falls back entirely on employer compensation.

**Canada has unusual opportunity** to reach solution free from defects of other plans. But no need for haste as "no such plan can possibly help present situation." Plan once adopted cannot be discarded.

**Ideal plan may combine savings** and insurance features and avoid shifting personal and financial responsibilities from individual to state. "Much clear thinking and close study are required. The mere imitation of legislation elsewhere will not provide the answer."

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Insurance, whatever its administrative form may be, implies simply the co-operative association of a large number of persons, who agree to share among themselves the burdens resulting from the occurrence of a particular contingency, such as death or sickness, by the payment of the necessary contributions into a common fund from which benefits, related strictly to those contributions, are distributed in alleviation of the burdens against which the insurance is effected.

The term "social insurance," on the other hand, is generally understood today as concerning the methods of securing money income or other benefits, on the principles of insurance, to workers and their families in the cases of accident, sickness and invalidism, old age, death, and unemployment, when the State, in whole or in part, undertakes the creation and administration of such schemes, frequently prescribes the bases upon which employers or employees, or both, are obliged to contribute, and often assumes the ultimate responsibility for the financial sufficiency of the plans.

**All Insurance Co-operative**

At this stage it is necessary to remind ourselves that all insurance, whether operated by private organizations or by governments, is essentially co-operative, and that therein lies the one outstanding feature which completely differentiates insurance organizations from other commercial businesses. It is equally clear that all insurance is "social" in the truest sense; and the term "social insurance," accordingly, should really not be reserved, as it generally is today, for describing only governmental schemes. For the purposes of this address, however, it may be used without confusion to denote governmental plans, of the types already mentioned, which are today identified in the public's mind by the specific terms industrial accident (that is to say, workmen's compensation) insurance, state health (or sickness) insurance, old age, widows', and orphans' pensions, and mothers' allowances, and unemployment insurance.

In connection with these systems it is important to realize that the entry of the government into insurance plans which thus are fundamentally both co-operative and social does not imply the socialization of an otherwise predominantly capitalistic business, and no such economic issue is involved as that encountered in proposals for the public ownership of other enterprises.

The main feature which differentiates governmental schemes of "social insurance" from voluntary plans lies in the compulsory methods which governments are in a position to enforce, and in the changes which this compulsion brings in the ethics and practical operation of the business. The entry of the government simply changes the channels by which the collection of the contributions and the payment of the benefits are effected; and in so doing it is obvious that it merely substitutes one set of problems for another, with a change in their direction but not in their extent.

**Many Plans Not Real Insurance**

This change in direction is of great significance. In many cases it affects so fundamentally the whole basis of the plans that many which still are called "insurance" wil be found upon examination to involve none of the principles of insurance at all. Some become little more than schemes of individual "savings;" some are methods of non-contributory "compensation;" others are those of mere "relief." It is therefore essential to maintain a very clear distinction between these types of plans.

A plan of real "insurance" implies group effort; insurance apart from the group concept is impossible. The benefit which may be claimed by any individual on the happening of the contingency

(Continued on page 15)

# Canadian Vickers Settle Heavy Insurance Claim

From Our Own Correspondent

MONTREAL.—Final settlement has been effected by Canadian Vickers Ltd. and the insurance underwriters as to claims arising out of the explosion of the S.S. Cymbeline while undergoing repairs in the company's drydock last summer. The underwriters have agreed to defray the cost of repairing the boat, and will contribute one-half of the cost of putting the drydock into shape.

Canadian Vickers' year ends next month and it is expected that the annual financial statement will show a restriction of earnings due to the lower volume of business received by the company over the past year. During the 1931 fiscal year the company showed operating profits of $409,010 or sufficient to take care of bond interest 1.31 times after providing for depreciation of $195,970. It is not known whether or not the current report will show bond interest earned after providing for full depreciation, but expectations are that earnings will not be far short of that point.

The balance sheet is also expected to reveal a satisfactory liquid position. At the close of business last year, Vickers had current assets of $1,422,147 and current liabilities of $117,247. Cash position was not especially strong, inventories and accounts receivable accounting for the greater proportion of the current assets.

# FORD STARTS 1933 MODELS THIS MONTH

### Company Looks For Increase of 25% in 1933 Sales

### EARLY START HELPS

### Delay in Beginning of 1932 Production Made It Hard For Sales to Catch Chevrolet

By Staff Editor

EAST WINDSOR.—Plants of the Ford Motor Co. of Canada will be going into production of the new 1933 models about the middle of this month. Present activity is confined to tooling, and tuning up plant equipment. While the exact nature of the changes to be incorporated in the 1933 cars still remains a mystery, announcement of the new lines will probably be made before the end of January, The Financial Post learns.

Due to this earlier start in production, the Canadian Ford organization is hopeful of increasing its unit sales in 1933, compared with 1932, by 25 to 30 per cent. The basis for this hope is that, assuming 1933 is no worse a business year than 1932, increased sales in the earlier months should result in this net gain during the year. Officials of the company concede that this looked-for increase may be somewhat too optimistic, but other reasons are also suggested as being likely to contribute to an increase.

**Late Start Costly**

It is conceded that the late start on production in 1932 cost the company a good deal of business. Thus, although Ford sales were at a faster rate than those of any other car during the latter months of 1932, it was only at the very last of December that Ford caught up and passed Chevrolet sales for the year. According to the figures of the Ford Motor Co. of Canada, actual unit sales were slightly larger than those of Chevrolet in 1932.

**Earnings Not Known**

No estimate of earnings of Ford of Canada for 1932 is available yet. However, domestic sales are understood to have been somewhat lower than in the previous year when a net deficit was shown. In the first 11 months of 1932 Ford units sold in the five eastern Canadian provinces totalled 10,249, compared with sales of 12,214 units in this territory during the same period of 1931 and 21,319 units in 1930. In the latter year earnings were $1.90 a share on the "A" and "B" stock. While sales in this section of the Canadian company's territory do not necessarily indicate results for its whole foreign and domestic field, it is the best yardstick available. Demand was not good in the Prairie Provinces of Canada in 1932, but there was an increased export volume.

One reason Ford is expecting improved demand for its motor vehicles in 1933, as compared with 1932, is that there is a larger proportion of worn down and semi-obsolete cars of all makes in use at present than for many years. Evidence of this is seen in records of sales of motor fuel which show a greater resistance to decline than does the total number of vehicles in operation. Motor manufacturers believe that the relatively larger consumption of fuel, in proportion to the number of cars in use, indicates that a large part of the total automobile registration is well past the age of maximum efficiency.

**Public "Doing Without"**

However, one motor executive recently made the point to The Financial Post, in connection with this obsolescence of automobiles, that people are now accomodating themselves to less modern cars by virtue of necessity. They are get-

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SPECIAL SECTION

National Motor Show Supplement ... 17-20

BLACKER THAN BLACK

A New Shipment of Midnight Blue arrives in our Custom Tailoring Dept.

THIS is the second shipment we have received of this new material for evening clothes which has become so popular in London and New York — and now in Toronto for our former shipment was exhausted in double quick time.

This smart cloth is a dark blue-black shade which under electric light has the appearance of being a much deeper black than the old style material

Order this new Midnight Blue in our Custom Tailoring Department, and you can be sure that it will be done the fullest justice. Mr. Nyberg is well known for the manner in which he blends conservative good taste with the latest and most correct details in style: thus ensuring you of the very smartest evening clothes you can obtain. Two Piece Suit, $110.00.

CUSTOM TAILORING DEPT.

Second Floor—James Street

THE T. EATON CO LIMITED

## FORD STARTS 1933 MODELS THIS MONTH

(Continued from page 1)

ting along with a less stylish and less efficient car than they did three or four years ago. This official thinks that there is some uncertainty as to how long it would take the public to forget what it had learned, namely, that it could make the old car last longer.

Another reason for expecting higher unit sales in 1933 is that motor car manufacturers generally are making bargain offers to the public. As this factor was mentioned to The Financial Post by a Ford official, it may be inferred that Ford prices will be lower again this year. Although price is always an important consideration to the prospective buyer of an automobile, it will be more so than ever in 1933.

One adverse factor in the prospects for Ford sales in 1933 is the unimproved prospect for sales in the Prairie provinces of Canada. Western conditions are still far from satisfactory, and 1933 business in this territory is not expected to exceed that of 1932.

### Export May Increase

Ford of Canada also expects to increase its export business in even more than it did in 1932. In July, 1932, the Canadian company made an agreement to handle the English company's small eight cylinder car in Canada and foreign countries, and the English company's agreed to distribute Canadian-manufactured V-8's in its territory, including the British Isles, and as a result the Canadian company had a substantially increased export business. This appeared in the export returns directly following the agreement.

Despite the fact that there was a substantial increase in exports, The Financial Post learns that it was not large enough to satisfy officials of the Ford Motor Co. of Canada. The company expects to further improve its export business in 1933, because stocks of cars in foreign territory have been largely depleted. It is understood that liquidation of stocks, in territories to which the Canadian company now exports, has proceeded at a greater rate than new exports in 1932 would indicate. This should give an entirely new demand to the company for its products.

### V-8 Motors Exported

In the Canadian company's export business, a fairly large portion of the orders from the English company have been for cars on wheels, fully equipped. However, the bulk of the orders are for V-8 motors which the English company installs in bodies and chassis built in that country. The business, however, is profitable to the Canadian company.

There is also an indirect profit to the Canadian company in handling the English cars in foreign territory. Of course there is practically no demand for such midget cars in Canada yet. Sales of these cars have not been as great as the sales of the Canadian cars in the English territory, but the development of the business is still in its early stages. The profit on the sale of English cars abroad does not accrue to the Ford Motor Co. of Canada, direct, but goes to its affiliated companies and subsidiaries abroad. The Ford Motor Co. of Canada gets the benefit of this profit through its stock ownership in these subsidiary companies.

There was an apparent benefit to the Canadian company in the exchange of orders with the English company last July. The order received by the Canadian company at that time was worth approximately $3,000,000, whereas the order given by the Canadian company for the new English eight cylinder midget cars was worth only some $2,000,000. As this exchange of business was only in operation for part of 1932, it is expected that a complete year's operations in 1933 will see further progress in the trade.

### Higher Silver Fox Prices

The marketing department of the Canadian National Silver Fox Breeders' Association reports slightly higher receipts of pelts this year at Summerside headquarters and an improvement in the quality.

## MANY OPPOSE 2 PER CENT TAX ON INSURANCE

(Continued from page 1)

is said amounts on the average for each company to between 4.5 and 4.8 per cent of premiums.

### Doubt Surcharge Method

One point in the plan to which both tariff and non-tariff companies object is that instead of this appearing as a "taxation" measure which is the purpose behind the impost, it will appear merely as a surcharge which will necessitate the agent explaining why the cost of insurance is being raised by 2 per cent. In explanation it is pointed out that since the 2 per cent surcharge represents no specific tax but merely a portion of the sum total of a 1 per cent federal tax and several provincial taxes, it was not deemed legally wise to name the impost as a "tax" but rather to use the word surcharge instead. One leading official of a tariff company expressed himself as strongly of the opinion that it would have been a wiser move to have attempted to collect only 1 per cent—the amount of the federal insurance tax imposed afresh last year after a lapse of some years—and label it specifically as such. This it is believed would have been easier to collect and to explain and would have been something that might have been achieved without arousing the opposition of agents.

### Agent Gets 25 Per Cent

Another criticism of the tax is that the way in which it will be imposed—namely as a straight addition to the total amount of premium payable. This means according to the instructions issued by the C. F. U. A. that the agent will compute his commission on the total amount of money collected (premium income plus surcharge) and that as the average commission payable in Canada amounts to about 25 per cent of premium income, no less than 50 cents out of every $2 of "surtax" collected will go—not into the hands of the companies to defray taxation expenses, which is stated to be the purpose of the impost—but into the agent's pocket.

Perhaps the agent will deserve the 50 cents or whatever the sum is, for the extra work involved in collecting the tax, but it may be hard to make the policyholder appreciate this point of view when he learns that 25 per cent of the surcharge will go—not to defray taxation costs as he has been led to believe—but into the agent's pocket.

### Cost About $2,00,0000

If the tax were to be collected by all fire and casualty companies writing business in Canada and licensed either by federal or provincial jurisdiction, the amount collected would be approximately $1,890,000 on the basis of 1931 figures. Of this sum about $472,000 would go to agents and $1,418,000 would be available for the 300 and more companies doing business in the Dominion.

Unless tariff companies can swing non-tariff opinion strongly behind the tax it is feared that its imposition will be merely another lever to be used to sell non-tariff as against tariff insurance. This in part is why considerable objection has been raised by agents who feel that this will be just another argument in favor of non-tariff groups. The fact that agency forces have not apparently been swung into line in the matter is not considered a good omen for the success of the plan.

### American Citizens in Canada

More American citizens are living in Canada than in all other foreign countries combined, and more of them live in Alberta than in any other Canadian province, according to the latest statistics from Washington. There are now 223,625 Americans in Canada, 90,477 of them live in Alberta and 37.706 in Manitoba.

### Plans Mill in Ontario

One of Great Britain's foremost textile manufacturers Downs, Coulter & Company, Limited, of Bradford, England, has formed a Canadian subsidiary company and plans to immediately establish a mill in the Province of Ontario for the production of worsteds, artificial silk and cotton textiles.

# The Nation's Business

(Continued from Page One)

premium currency but unfortunately Calgary is not in a legal or moral position to distinguish between one class or another. Many of the holders paid a higher than the ruling price for Calgary bonds in order to obtain securities payable in New York when for one reason or another they needed securities of that type.

But the whole discussion on the Calgary case gets down to the simple point that the city has repudiated an obligation and is likely to ruin its credit by doing so. It would be cheaper in the long run for Calgary to reverse its decision now and pay as other Canadian cities and provinces have paid.

A decision now by Calgary to pay what it has contracted to pay would save its credit before it is too late.

* * *

### Economic Advisers Speak Out at Banks

AT THE annual meetings of the banks, the unofficial but very real economic advisers of the nation express their views. Their opinions display a general sanity refreshing in these troublous days when the public is confused by the vociferous inconsistencies of much economic silliness.

Sir John Aird, president of the Canadian Bank of Commerce, was able in his address this week to do these things to turn people's minds back to fundamentals and away from bunk:

He showed that extreme protectionism has contributed to the crisis and indicated what an all around 10 per cent cut in tariff would mean to trade:

He made it clear that Canada only needs an unfettered wheat market to hold world leadership in grain:

He showed what the American business is losing by United States war debt policy:

Concerning the tax policy of soaking the rich he made it clear that there are few rich people left:

He urged Canadians to keep banking policy free of politics; and not to tamper with sound money.

Similarly S. H. Logan, general manager of the bank, took advantage of the opportunity afforded by his address to deliver a thoroughly clear account of Canadian banking principles and practices and their relation to many of the current panicky proposals for reform.

The annual meetings of our banks, with their scholarly but practical addresses, published in full for the public to read, are institutions of vital significance in Canada's business life.

* * *

### Newfoundland and Canada

THE loan by the Dominion Government, in association with the British Government, to Newfoundland is a sisterly financial gesture to which few Canadians will take any serious objection. Some newspapers have already raised the point that if Ottawa loans money at four per cent to an "outside" country she can hardly refuse to loan money at the same rate to Canadian cities and provinces. Ottawa has already loaned money freely to the four Western provinces and is believed to have offered money to Calgary if it would stick to the letter of its obligations. The rates charged have been higher than four per cent. Answering a charge of discrimination is something that Mr. Bennett will probably not be afraid to tackle.

There is a larger question raised by the loan to Newfoundland and this is the future relations of the two Dominions. It can not be denied that the collapse of the codfishery, due to ruinously low prices, has brought Newfoundland to a most serious financial crisis. The outlook for world recovery is not such as to promise that the lead-zinc mines, the copper ores, the iron deposits, or even the paper mills can bring Newfoundland back to a condition of great prosperity in the near future. The Dominion has a long and difficult process of economic reconstruction to go through that will call for all of the courage and resource of her people as well as for the most enlightened and at the same time frugal governmental administration.

* * *

IT MAY be taken for granted that people in Canada and Newfoundland will discuss two possible solutions for the government's financial problems if not for the island's economic problems. One is the sale of Labrador to Canada for a figure of around $100,000,000 which represents the major portion of the public debt of the island. The other is federation with Canada.

The Financial Post believes that neither of these proposals has any great merit from the standpoint of either country.

Labrador is Newfoundland's last resource, her one assurance of a new and more vigorous life for her people. Without Labrador the people of Newfoundland would be condemned to an unprogressive and uninteresting existence, and to dependence upon the fisheries until more complete utilization of the island's mining resources were economically possible. Labrador is worth more to Newfoundland than to Canada. It would be foolish for Canada, struggling with an already overexpanded economic superstructure, to assume within the next generation the task of opening up Labrador. The world outlook and our own financial position do not argue the soundness of spending $100,000,000 for the privilege of building railroads, highways, post offices, schools and churches in Labrador.

* * *

A REAL objection to union between Canada and Newfoundland is that the two countries are not complementary. The problem of governing Newfoundland from Ottawa and giving to the people of the island the paternal care that they have been accustomed to receive from their own government would be one to stagger even the most courageous nation-builder. One has only to realize how sharp is the conflict between our western grain growers and our Maritime ports, how bitter the debates between the western free trader and the eastern protectionist; one has only to study the cost of giving Nova Scotia mines a Montreal market or Northern Saskatchewan a port on Hudson's Bay to realize the colossal effort that would be needed to give the "province" of Newfoundland a sense of Canadian nationhood. It is a task that had better be left unattempted, especially as it offers to the sturdy citizens of Newfoundland nothing but the temporary benefit of relief from financial troubles and the doubtful privilege of being mollycoddled by political groups in Canada.

* * *

**The World Economic Conference,** originally planned for January will not meet before April at the earliest. Apparently the weather and the social season in London and Geneva were more important in fixing the date than the pressing problems of the world.

* * *

**Prominent Canadians** who have been in Britain in the last few weeks report that the thing which struck them most was the absence of beggars on the streets. In England, of course, they have balanced their budget; they are living within their means; and in consequence things have become more prosperous.

* * *

**The farmer's wages today do not exceed ten cents an hour and few get that.** In Toronto the minimum wage on city contracts is 60 cents and labor unions hold out for scales of 75 cents and more per hour. That is what lack of farm purchasing power really means; that is a primary reason for bread lines in the city.

* * *

**Under J. S. Woodsworth M.P.,** unions of laboring men and associations of farmers are asked to join together for their common benefit. Mr. Woodsworth is a theorist, not an idle one, but an intellectual dreamer. He has never worked as a skilled laborer and he has never farmed yet he promises to bring prosperity to both workers and farmers. He has more faith in the miracle working power of legislation than the practical realist whose voice is needed today.

* * *

**More American** citizens are living in Canada than in all other foreign countries combined and more of them live in Alberta than in any other Canadian province, according to the latest statistics from Washington. There are 223,625 Americans in Canada and of these 90,477 live in Alberta. It is an ironic occurrence that the largest city in the province should have been the first municipality to balk at paying its obligations in United States funds, when it had promised to do so.

## OTTAWA CUTS $100,000,000 OFF EXPENSES

(Continued from page 1)

the balance of the multifarious services maintained as part of routine government by the taxpayer.

Unfortunately the benefit of these economies is lost because of the government's irresistible urge toward special expenditures. Unemployment relief has eaten up the better part of $100,000,000 of federal revenues. The wheat bonus ran into eight figures, and the wheat stabilization policy if liquidated right now would certainly set the taxpayer back close to $30,000,000. As reported in last week's issue the advances to the provinces exceed $40,000,000 not to mention Beauharnois and the Farm Loan Board and other ventures somewhat out of the ordinary realm of government.

### Committees at Work

In pursuit of economy the government's record is entirely praiseworthy. No economy, however minute, seems to be neglected. Last summer, without a word being said, steps were taken to eliminate many scores of the thousand and more telephones for which the government has to pay. A survey of government offices brought very substantial savings in this regard. At the present moment a strong committee of high officials is attacking the problem of economizing on printing and stationery and is doing so in the true Gladstonian manner.

### Re-organize Departments

A reorganization of eight departments which will make for greater efficiency and make possible a saving of at least $100,000 per annum, has been under investigation several weeks and is now practically ready for submission to the cabinet for approval.

Like every other plan for reorganization, this one must encounter strong opposition both in the way of political and practical antagonisms, but it offers more prospect of success than any similar plan advanced at the capital for several years and, at least in part, seems very likely to be adopted by the cabinet.

The driving power behind the reorganization proposals is Hon. Wesley Gordon, Minister of Immigration, Mines and Labor, and it is believed he is receiving strong support from Premier Bennett. The details of the changes which are to be recommended has been worked out very carefully and every precaution provided against confusion during the period of transition.

### Concentrate Technical Work

The departments involved are: Railways and Canals, Public Works, Immigration, Interior, Mines, Marine, Labor and Trade and Commerce.

Some phase of the proposed reorganization are more certain of adoption than others. Foremost among these is the proposal to create a portfolio or department of Technical Services, centring upon the present Department of Mines, and retaining Dr. Charles Camsell as the deputy minister. To the present Mines service would be added the forestry, water power and topographical survey branches of the Interior department. The National Research Council would be transferred to it from the Department of Trade and Commerce. So combined, the Technical Services department would rank as one of the most important in the federal government, and much overlapping and duplication of research work would be eliminated.

Three other departments would then be merged in one. This merging probably would be done under the title of the Department of the Interior and since the present deputy is practically at the retirement age, a new deputy would have to be found. The most probable choice would be Dr. H. W. McGill, present Superintendent-General of Indian Affairs.

### New Department

In this new department there would be a minister and a deputy and under them would be four bureaux. One bureau would comprise the present Department of Labor, another Immigration and Colonization, a third Indian Affairs, and the fourth the North-West Territories and all Crown lands remaining in the possession of the Dominion.

There would be but two departments, therefore, where there are now four. It so happens that, at the moment, there are only two ministers in charge of all these services. This is due to the fact that Mr. Gordon—who has become the work horse of the present administration—is running the departments of Mines, Immigration and Labor. But in normal times one portfolio would be eliminated. And right now, two deputy ministers would be eliminated and a larger number of high officials.

### Consolidate Railways

The other phases of the re-organization plans are more far reaching and, therefore, more difficult to achieve. It is quite evident that when Parliament gets through with the railway legislation, much of the National Railways work which, hitherto, has been done by the Railway and Canals department will be done by the new Board of Trustees. There is, in fact, good reason to believe that Deputy Minister Smart of the Railway and Canals department will become one of the trustees, thereby opening the way for departmental consolidations.

After the railway legislation is through about the only direct contact between the National Railways and the government will be through the Department of Finance. This will make possible the abolition of the present Railway department. The canals will either be used as the nucleus around which to build a new department, or they will be transferred to Public Works.

### Stewart to Bench

If they are to form the nucleus of a new department, the plan would involve creating a portfolio of Communications including post office, civil aviation, one deputy minister and many officials and clerks. It would, also, greatly simplify the work of the government. With the exception of canals, these three services—now in three different departments — are constantly being required to work together. The Post Office department goes in for air mail, over routes built by the civil aviation service in co-operation with the radio branch.

As for the cabinet personnel, there would have to be a re-allocation of portfolios. The disappearance of the Railway and Canals department would free Hon. R. J. Manion for another of the major departments of government. If a Department of Communications were organized, he would be the head of it. If not, he could take over the enlarged Public Works Department if he chose to do so. The present minister, Hon. Hugh Stewart, would take a judgeship.

## DOMINION COAL MAKES GAINS IN PAST YEAR

(Continued from page 1)

which entails a corresponding increase in production costs.

Output of Dominion Coal Co. in 1932 was about 20 per cent below the previous year. In addition to fighting the natural problem of lower demand the company had to contend with competition from imported coal. British coal delivered at distress freight rates and paid for in depreciated currency has allowed the introduction of soft coal right at the "back door" of the company's mines. From the United States, competition has been keener than ever since conditions in the coal industry in that country have made operators cast longing eyes at Canadian markets.

### Extend Domestic Markets

Duties on imports, however, have aided Dominion Coal to the extent that they have prevented a bad situation from becoming impossible. Subventions allowed Canadian railways have also been responsible for aid to the Maritime coal producers. Without these two benefits the coal industry in Nova Scotia would indeed be in a difficult position.

In connection with the subventions, it is understood that these have permitted Dominion Coal to ship a substantial tonnage into Ontario. The company has undertaken aggressive promotional work in building up a market for its coal in Ontario and it is understood that products have been placed in some 60 Ontario cities which might otherwise have foregone the use of Maritime coal.

### Encouragement For Future

In this respect there is some encouragement to be seen in the future. Much work has been carried out in educating the consuming public in Ontario with regard to Maritime coal and the full benefits have yet to be realized. Subventions did not come into effect until May, 1932, so the company has not had a full 12 months' work in building up outlets in this new market. Possibly 1933 will witness further sales in this area.

No figures on earnings of Dominion Coal for 1932 have been made available. In 1931 net operating profit was $158,826 but $127,485 had to be deducted from this as half of net profit on operations of the Springhill division transferred to Cumberland Railway and Coal Co. Net operating earnings therefore were $31,341.

### Heavy Bond Redemptions

Each year the company provides $730,000 for sinking fund and depreciation. Interest on the first mortgage bonds totalled $172,608 and other charges brought the total deficit for the year up to $1,223,072. While a deficit will also be reported for 1932 it is likely that it will be but half that reported in the previous year.

Redemption of the first mortgage bonds continues and $278,000 were redeemed during 1932. At the end of 1931 there were outstanding $3,363,500 of these 5 per cent first mortgages; further reduction in the total outstanding will be effected when sinking fund operations redeem another block on May 1, 1933.

## ASBESTOS CORP. SALES DECLINE TO LOW LEVEL

(Continued from page 1)

factor in an otherwise gloomy situation surrounding Asbestos Corp. is that the present management has made heavy write-offs since it took charge nearly three years ago. No attempt has been made to paint a rosy picture of the company's position; millions have been written off asset valuations shown in previous years.

### Structure is Deflated

This, together with a reorganized capital structure, has resulted in thorough deflation. Operating policies have been overhauled and expenses reduced. Consequently any improvement in tonnage might be expected to find fairly quick reflection in the company's position. Competition, however, still remains keen, with production from Russia and Rhodesia making inroads into operations of the Canadian industry.

The drop in shipments from asbestos mines in Quebec during the first 11 months of 1932 is indicated in the following table:

11 Mos. Shipments in Tons

| | 1932 | 1931 | 1930 |
|---|---|---|---|
| Crude No. 1 | 96 | 208 | 584 |
| Crude No. 2 | 315 | 401 | 1,003 |
| Fibre | 28,867 | 48,490 | 64,366 |
| Shorts in bags | 36,925 | 51.178 | 68,241 |
| Refuse in bulk | 154 | 225 | 3,835 |

## OTTAWA PACTS BUILD TRADE FIELD HOLDS

(Continued from page 1)

manufacture is also proof that our manufacturers are not set in their ways, are not strangers to novelties and are willing to buy and use machines that have proved their superiority, even if they are of foreign manufacture.

"The statement that Canadian taste in electrical apparatus, etc., has been considerably influenced by its proximity to the United States is largely true but it is not a fact that the British are unable to maintain large sales organizations in Canada. Many United Kingdom manufacturers of electrical apparatus and other machinery have their own branches in Canada and have proved their suitability to the Canadian market by obtaining a satisfactory share of the business offering.

### Separator Makers Busy

"The illustration that Mr. Marcosson chooses to prove his contention that 'various gold bricks' found their way into the Ottawa Conference tariff schedule, is not a happy one. While it is true, as he states, that cream separators of United Kingdom manufacture have not been imported into Canada, he makes a mistake in saying that they are unlikely to come. Two United Kingdom manufacturers of separators are already making their arrangements to supply the Canadian market. In one case, not only will English separators be sold in Canada but the English firm concerned will accept as part payment certain classes of Canadian goods. This particular manufacturer has already extended his works in England to cater to the Canadian market.

"The magazine article says also that once the world adjusts itself economically, ships will divert space to more profitable trade than carrying United Kingdom anthracite coal to Canada. Only the future can prove the truth or otherwise of that prophecy. In the meantime, as a counter prophecy it appears rather safe to state that as the Canadian imports of anthracite coal have grown from nil to more than one million tons annually, that as the coal has proved its merit and value, and that as it enjoys a preferential tariff rate of 50 cents per ton, the anthracite coal trade of Great Britain in Canada is likely to continue and, indeed, to increase.

### Frequent Deliveries

"The statement made by Mr. Marcosson that quick delivery is a factor in favor of United States firms so far as the Canadian market is concerned, is again not a happy one. It is true sometimes but the citation of one incident should not be used to condemn the deliveries of all British firms. As a matter of fact, deliveries can frequently be obtained from firms in the United Kingdom as quickly as from firms in the United States.

"Judging by these examples from Mr. Marcosson's article, it might be inferred that the Ottawa Conference Agreements will not do much for trade within the Empire and for trade between the United Kingdom and Canada. The work of the British Trade Commissioners in Canada has shown that since the Ottawa Conference, a definite attempt is being made by Canadian firms to take advantage of the tariff preferences and to transfer their buying from foreign countries to Empire countries. If only a small fraction of the enquiries received by our offices in Canada eventually become orders, then a substantial volume of trade will have been diverted from foreign to Empire sources. All those who are following the practical work of conducting or promoting business and trade, I feel sure, are certain that new trade channels have been, are being and will be cut as a result of the Ottawa Conference. This does not mean that Empire countries will not continue to trade with foreign countries, but Empire trade developments inevitably will bring with them a reconstruction of international trade relations.

"As for example of the transfer of trade, we may take the business in shellac. This is used largely by paint factories. The only source of supply is British India. Formerly it has been imported into a foreign country, bleached and shipped into Canada. The trade generally has said that English firms were not able to bleach shellac as satisfactorily as the foreign firms. This was proved to be one of the many trade myths which are really founded upon the fact that it is often human nature in business to follow the line of least resistance. Today the trade in shellac is being rapidly diverted from a foreign country to the United Kingdom and Canadian users tell me that the bleaching done in Great Britain is equal to or better than the process as carried out in a foreign country. In short, this product, which received favorable tariff treatment at the Ottawa Conference, is now not only produced in a British country but is treated in another British country and sold to a third British country, instead of as heretofore being sold through a foreign intermediary.

"Another example is tinplate. While Welsh producers will probably admit that they have learned something from United States producers, their tinplate today is regarded as of equal quality, and hence we find a Canadian firm that has formerly bought much of its tinplate in the United States, now buying a million boxes, in a single order, from Welsh producers.

"These are merely two examples of many that might be cited."

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# Dairy Corporation of Canada Limited

## SIX PER CENT FIFTEEN YEAR SINKING FUND GOLD DEBENTURES, SERIES "A" AND SERIES "B"

### *Notice of Meeting of Debentureholders*

NOTICE IS HEREBY GIVEN PURsuant to a request from Dairy Corporation of Canada, Limited, (hereinafter called the "Company") that a meeting of the holders of the Six Per Cent Fifteen Year Sinking Fund Gold Debentures, Series "A" and Series "B," of the Company (hereinafter collectively called "the Debentures") issued under and secured by a Trust Deed dated as of the 1st day of July, 1930, and Supplemental Trust Deed dated the 1st day of January, 1931, (hereinafter collectively called "the Trust Deeds") each made between the Company, of the First Part, and The London and Western Trusts Company, Limited, (therein and hereinafter called "the Trustee"), of the Second Part, will be held at the office of the Company, 80 King Street West, Toronto, on the 10th day of February, 1933, at the hour of eleven o'clock in the forenoon, for the purpose of considering and if thought fit, passing an Extraordinary Resolution or Extraordinary Resolutions pursuant to the provisions of the said Trust Deeds (subject to such amendments, alterations or modifications as may be made at such Meeting) for any or all of the following purposes, namely:

(a) To defer to the 1st day of January, 1934, or to such other date prior or subsequent thereto as may be decided at such Meeting, payment of the half-yearly instalment of interest on the said Debentures which fell due on the 1st day of January, 1933. The Company to pay on the said first day of January, 1934, or other date to which payment of the said interest is deferred, the amount of such deferred interest with interest thereon at the rate of six per cent per annum.

(b) To defer to the 1st day of July, 1934, or to such other date prior or subsequent thereto as may be decided at such Meeting, payment of the half-yearly instalment of interest on the said Debentures which fell due on the 1st day of July, 1933. The Company to pay on the said 1st day of July, 1934, or other date to which payment of the said interest is deferred, the amount of such deferred interest with interest thereon, at the rate of six per cent per annum.

(c) To release and extinguish the obligation of the Company to pay the sinking fund payment in respect of the said Debentures due on the 1st day of January, 1933, and the sinking fund payments in respect of the said Debentures to become due under the said Trust Deeds on the 1st day of July, 1933, and on the 1st days of January and July in each of the years 1934 to 1937 inclusive.

(d) To waive all defaults which may have occurred under any covenant or agreement in the Trust Deeds or the Debentures up to and including the date of the Meeting.

(e) To require holders of Debentures to produce their Debentures and all unmatured coupons appertaining thereto to the Trustee for notation thereon of a reference to and/or alteration or modification thereof in accordance with any and all Resolutions passed at the Meeting and any supplementary Trust Deed executed pursuant thereto.

(f) To sanction such modification, abrogation, alteration, compromise or arrangement of the rights of the Debentureholders against the Company or against its property whether such rights arise under the said Trust Deeds or the said Debentures or otherwise as may be necessary or advisable to give effect to the foregoing or to any and all other Extraordinary Resolutions which may be passed at the Meeting and generally to exercise any powers which under the terms of the said Trust Deeds may be exercised by Debentureholders by Extraordinary Resolution.

(g) To adjourn the said Meeting from time to time for the purpose of considering and approving any matter which may be brought before or considered by the said Meeting.

(h) To authorize the Trustee to concur in and execute any Supplemental Trust Deed or Deeds and any other deeds and documents and to do all acts and things which in the opinion of Counsel may be necessary or advisable for the purpose of giving effect to any and all Resolutions passed at the said Meeting and any adjournment or adjournments thereof.

This Notice is given pursuant to the provisions of the Trust Deeds to the intent that any Resolution passed at the said Meeting or any adjournment thereof shall, if passed in the manner provided for passing Extraordinary Resolutions of Debentureholders be binding upon all Debentureholders whether present or not present at the Meeting or any adjournment thereof and for the further intent that in considering and/or passing any Resolution, extraordinary or otherwise, such Meeting may modify, amend, change, amplify, add to or omit any of the matters and things hereinbefore specified, it being stipulated as in the Trust Deeds provided, that the foregoing does not purport to specify the terms of any Resolution or Resolutions to be proposed at the Meeting but only to indicate the general nature of the business to be transacted.

Pursuant to the provisions of the Trust Deed and Regulations made by the Trustee thereunder:—

Debentureholders, other than registered Debentureholders, desiring to attend the Meeting without producing their Debentures may deposit the same with any Bank, Trust Company or other financial institution approved, either before or after such deposit, by the Trustee, and will receive in exchange Certificates which will entitle the holder named therein to be present and vote at such Meeting and at any adjournment thereof and to appoint a proxy to be present and vote for the holder at such Meeting and at any adjournment thereof in the same way as if the person so present and voting either personally or by proxy were the actual bearer of the Debentures in respect of which such Certificate has been issued and had produced the same at such Meeting or adjournment. Debentures so deposited will be held on deposit until after the said Meeting and any adjournment thereof, and will then be returned to the depositor. If unable to attend, the holder of a Certificate and proxy may deposit the same, prior to the Meeting or any adjournment thereof, with The London and Western Trusts Company, Limited, 219 Bay Street, Toronto, and such proxy will be voted at the meeting and at any adjournment thereof in favour of the Resolutions to be submitted thereat (subject to such amendments, alterations or modifications thereof as may be made at such Meeting) unless the depositor thereof shall have given written instructions to the contrary.

Holders of registered Debentures may attend in person and vote or may by instrument in writing appoint any person as proxy to vote at such meeting and any adjournment thereof.

A proxy need not be a Debentureholder.

The Trustee may dispense with any such deposit of Debentures and permit Debentureholders to make proof of ownership in such manner as the Company and the Trustee may appoint.

Save as aforesaid, the only persons who shall be recognized at any Meeting as a holder of any Debentures or as entitled in person or by proxy to be present and vote at the Meeting in respect thereof shall be persons who shall produce their Debentures at the Meeting.

Forms for listing Debentures for deposit for voting purposes, forms of Voting Certificates and of proxies and other information may be obtained by Debentureholders on application to The London and Western Trusts Company, Limited, at its above-mentioned Office in Toronto, or at its Office in London, Ontario, or to the Bank of Montreal, King and Yonge Streets Branch, Toronto, or at its Branch in Napanee, Ontario.

Dated this 9th day of January, 1933.

THE LONDON AND WESTERN TRUSTS COMPANY, LIMITED,
Trustee.

# Battles make New leaders

## —and 1933 is going to be a battle!

*Behind the "lines"*

Walter P. Chrysler and his Executive Board

**Chrysler Features for 1933**

Floating Power . . . Free Wheeling . . . Automatic Clutch . . . Air-Wheel Tires . . . Easy-Shift Transmission . . . Shockless Steering . . . Hydraulic Brakes . . . Safety-Steel Bodies . . . Centrifuse Brake Drums . . . Body Insulation . . . New Rigid-X Double Drop Frame . . . Downdraft Carburetor . . . Air Cleaner and Intake Silencer . . . Fuel Pump with Air Dome . . . Acceleration Pump on Carburetor . . . Automatic Manifold Heat Control . . . Silchrome Exhaust Valves . . . Alloy Piston . . . Alloy Valve Seat Inserts . . . Removable Precision-Fit Main Bearings . . . Full Pressure Lubrication through Rifle-Drilled Passages . . . Oil Filter . . . Crankcase Ventilator . . . Ventilator Air Cleaner . . . Silent Timing Gear Chain . . . Shock Absorbing Clutch Disk . . . Ball Bearing Clutch Release . . . Ball and Roller Transmission Bearings . . . 2 Universal Joints with Needle Bearings . . . Double Tapered Roller Wheel Bearings . . . Double Tapered Roller Steering Gear Bearings . . . Oilite Springs . . . Silent "U" Spring Shackles . . . Rubber Core Shackles on Front of all Springs . . . Hydraulic Shock Absorbers . . . One-Piece Double Braced Fenders . . . Duplate Safety Glass Windshields.

## Chrysler intends to take a bigger bite of the Canadian business than ever before

A startling recovery in business would help us to get a bigger bite of the Canadian motor car business . . . but Chrysler is neither counting on a boom nor waiting for it. The time for *waiting* is past.

We have quit waiting and we have struck out. We have struck, with the full weight of money . . . with every spark of ingenuity our production heads possess . . . with every practical improvement that the great Chrysler Engineering Department could develop.

The New Plymouth Six was the first blow . . . a "Six," $95.00 cheaper than the "Four" of 1932. We didn't cheat on quality . . . we didn't skimp on size. The New Plymouth Six is roomier, more powerful . . . it has everything. Good as the 1932 Plymouth was . . . the 1933 Plymouth Six is *Better.*

Dodge struck the *second* blow. The New Dodge model "DQ" Six is rightly called the "Miracle Car." With its 75 horsepower, long wheelbase and luxurious body it is *just* that . . . a miracle . . . And it's priced right down among the lowest price cars. Dodge also announces the New, Luxurious "DP" Six and the New Dodge Eight.

At the Toronto and Montreal Motor Shows DeSoto presents Canada's smartest low-priced car . . . luxurious transportation beyond anything ever offered at its price . . . The New DeSoto Six.

Also at the Motor Shows, the New Chryslers which Walter P. Chrysler himself has named "the finest cars ever to bear my name" . . . Custom Imperials, Imperial Eights, Royal Eights and the New Chrysler Six.

"Behind the lines" in Chrysler's laboratories trained engineering brains constantly experiment to make individual transportation simpler, more economical and a very pleasant necessity of life.

Led, inspired . . . yes, even *driven* by the relentless purpose of Walter P. Chrysler, these engineers developed Floating Power engine mountings, Oilite springs, silent "U" shackles, All-Steel bodies . . . improved hydraulic brakes and improved Free Wheeling. They have succeeded in making their cost so low that NOW *all* of these and many other vital improvements are standard on *all* of our new automobiles. You rightly expect such improved engineering from a great automobile manufacturer . . . And in Chrysler products you *get* them.

People are fair minded . . . they appreciate value. We believe that Canadians will see that the New Plymouth "Six" and the two New Dodge "Sixes" are better than ordinary . . . that they are *GOOD.* When people see something they want and they have the money to buy it . . . they buy it. Chrysler presents its cars honestly and on their merits. Wise Canadians will not buy from habit in 1933 . . . they will shop for value and those who look carefully will buy Chrysler products on their merits.

New Year's Bells? *DRUMS* would be more appropriate to our plans . . . drums that call to battle . . . for 1933 is going to *be* a battle. Chrysler is ready . . . *BATTLES MAKE NEW LEADERS.*

Jno. Mansfield

*President*

**CHRYSLER CORPORATION OF CANADA LIMITED**

# *Utilities and Transportation*

## WPG. ELECTRIC HEAD UPHOLDS POWER PROJECT

### Says Events Justified Proceeding With N. W. Power Company

From Our Own Correspondent

MONTREAL.—Bondholders of Northwestern Power Co., a subsidiary of Winnipeg Electric Co. which recently defaulted on its bonds, are in receipt of a communication from Nesbitt, Thomson and Co. covering a letter from Winnipeg Electric Co. setting forth events leading up to the development of the Seven Sisters power site.

In justifying this step, the letter signed by E. Anderson reads, in part, as follows:

"Since 1911 Winnipeg Electric has been operating in competition with the municipally owned system of the Winnipeg City Hydro. Although competition was keen, demands for additional power kept increasing. In 1926 Manitoba Power Co. entered into a contract to supply power to the City Hydro. This contract was for a period of nine years, commencing September 1, 1928, on a gradually increasing scale until the delivery of 30,000 h.p. was provided for by 1930. The company also had a contract for the sale of a substantial amount of power to Manitoba Paper Co.

"In view of this contract which the City Hydro had made with Manitoba Power, it was understood that the municipal system did not contemplate the early development of further power on its own behalf. In the six years, 1923 to 1928 inclusive, the average increase in the maximum load of Winnipeg Electric Co. was 11.6 per cent per annum. In the seven years ending with 1929 an average of 2,909 customers, with 20,787 h.p. connected load, were added annually, the largest increase during the period being in 1929, when 3,349 customers, having a connected load of 27,859 h.p., were added.

### In Defense of Policy

"The foregoing facts established the necessity for providing additional electrical energy to meet the increasing demands of the customers of the company and its subsidiaries. Therefore, through its subsidiary, Northwestern Power Co., an additional site at Seven Sisters Falls, on the Winnipeg River, was acquired, and early in 1929 a power development at that site was commenced. Winnipeg Electric Co. advanced over $1,000,000 during 1929 for work in this connection. In January, 1930, Northwestern Power Co., Limited, sold $10,000,000 of 6 per cent bonds, guaranteed by the Winnipeg Electric Co., to provide the necessary funds to complete the initial installation of 42,000 h.p.

"If normal conditions had prevailed in Winnipeg, and had the load continued to increase at the rate of 11.6 per cent annually, more than the entire installed capacity of the Northwestern Power plant would have been required during the current year. No one in 1929 could have foreseen the decline in business which has since taken place, resulting in the closing down of the plant of Manitoba Paper Co. this year and restricting operations in practically all other industries.

"For the year ended December 31, 1929. net earnings of Winnipeg Electric Co., after all fixed charges and depreciation, amounted to $969,000, which would have been applicable to the payment of interest on Northwestern Power bonds under the guarantee of Winnipeg Electric Co. The restriction in industrial activity in Winnipeg, however, has resulted in a decline in gross earnings of Winnipeg Electric Co. at the rate of $1,000,000 for the current fiscal year as compared with 1929. Furthermore, the premium required to cover payment of bond interest in United States funds constitutes a further charge on earnings, which, at the present rate of exchange would amount to about $100,000 annually.

"Winnipeg Electric Co. and subsidiary companies have made and are continuing to make every effort to reduce operating expenses in order to offset the decrease in revenue. At the same time, of course, the efficiency of the system must be upheld, and plant and equipment maintained. Through economies thus effected the company is in an excellent position to benefit by improved business conditions in the district."

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UTILITIES
LIMITED

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(Payable in Canadian or U.S. funds)

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## No New Power Projects Undertaken in Last Year

### Installations Add 378,923 h.p., Bringing Dominion's Total to 7,045,260 h.p. — Construction Continues on Several Large Enterprises

From Our Own Correspondent

MONTREAL. — No new major water power developments were undertaken in Canada during 1932, but the completion or partial completion of those already under way added 378,923 h.p. to the turbine installation already in force, bringing the total at the beginning of this year up to 7,045,260 h.p. Construction is continuing, according to a special report prepared by the Dominion Water Powers Branch, upon several large undertakings which will further add to this total in 1933 and subsequent years.

The programme of water power construction that is now approaching completion had its origin some three or four years ago before world-wide economic disturbances brought about an almost universal arrest of industrial expansion. Up to the end of 1929 the production of electric energy in Canada kept pace with the increase in installed capacity. Subsequently, however, depressed industrial conditions resulted in a falling off of the demand which reached its greatest intensity in mid-1931. More stable conditions now appear to have been established since the figures for the first ten months of 1932 indicate that electric energy produced for use in Canada is practically the same as for the corresponding period in 1931—an encouraging feature being that in August, September and October, the last three months for which statistics are available, an increase has been recorded. The reduction in total electric-energy production during the present year is almost entirely accounted for by the loss of production for export. For the first ten months of the year the export has been almost forty-six per cent less than for the same period in 1931. So far as the situation within Canada is concerned statistical records indicate that electric production is again increasing. What the rate of increase may be in the immediate future is very difficult to forecast, but any definite improvement in industrial operations should be very quickly reflected in electric production. There is undoubtedly a steady increase in the energy produced for domestic use.

### Principal New Units

The increase in installation recorded in 1932 was accounted for chiefly by the Beauharnois development in Quebec, the Chats Falls plant on the Ontario-Quebec boundary, and the Corra Linn development on the Kootenay river in British Columbia. The principal activities in each of the provinces are briefly described in the following paragraphs.

In British Columbia the outstanding feature of the year was the completion and bringing into operation of the 57,000 horsepower development of the West Kootenay Power and Light Company at Corra Linn on the Kootenay river. The Bridge River Power Company completed a two and a half mile tunnel forming part of its Bridge river power project, but no further construction work will be undertaken for the present. The City of Grand Forks brought into operation a new installation of 500 horsepower while the West Kootenay Power and Light Company commenced the construction of a 1,600 horsepower development on Goat river. Investigations were also continued by this company upon further power projects on the Kootenay, Pend d'Oreille and Adams rivers, while the City of Vancouver pursued its studies of the power possibilities of the Cheakamus river and the East Kootenay Power Company of the Elk river.

In Alberta the Calgary Power Company commenced work on a storage dam at Upper Kananaskis lake for the benefit of its three hydro-electric plants on the Bow river.

In Saskatchewan and Manitoba no new developments were undertaken during the year.

### Complete Chats Falls

In Ontario the Hydro-Electric Power Commission, in co-operation with the Ottawa Valley Power Company, completed the Chats Falls development on the Ottawa river with an installed capacity of 224,000 horsepower. This development lies astride the boundary between Ontario and Quebec. The commission also completed the transmission line from the Quebec boundary to Chats Falls which takes power from the Beauharnois development on the St. Lawrence river. In Northern Ontario the 330,000 horsepower development of the Canyon on the Abitibi river was actively carried forward until July by the Ontario Power Service Corporation. Financial difficulties then caused a cessation of work and it is understood that the Ontario government has now under consideration the acquiring and operation of the plant.

### Beauharnois in Service

In Quebec the Beauharnois Light, Heat, and Power Company's development on the St. Lawrence river was placed in operation with four 50,000 horsepower units and delivery commenced on contracts to supply the Hydro-Electric Power Commission of Ontario and Montreal Light, Heat and Power Consolidated. As already mentioned, the Chats Falls development, jointly carried out by the Ottawa Valley Power Company and the Hydro-Electric Power Commission of Ontario, was brought to completion. The MacLaren-Quebec Power Company's new 130,000 horsepower development at Masson on the Lievre river was well advanced and completion is expected before July, 1933. The Shawinigan Water and Power Company made progress on its 240,000 horsepower development at Rapide Blanc on the St. Maurice river and units are expected to be installed during 1933.

In New Brunswick no new developments were undertaken but the New Brunswick Electric Power Commission made a number of extensions to its transmission line systems in various parts of the province.

In Nova Scotia work was also largely confined to transmission line extensions of the Nova Scotia Power Commission.

## Nova Scotia Power Board Records Progress in 1932

From Our Own Correspondent

MONTREAL.—Efforts of the Nova Scotia power industry during 1932 were devoted to the development of the domestic load with the result that the total electric energy delivered was approximately equal to the record year of 1931, according to Hon. J. F. Fraser, chairman of the Nova Scotia Power Commission.

The commission's system now ranks 13th among the principal generating and transmitting systems in Canada. More than 50 per cent of all electric energy used in Nova Scotia is produced by the commission and of the public utility load, the commission supplies about 79 per cent.

At the beginning of 1926 the commission had three systems with installed turbine capacity of 23,290 h.p.; now it has eight systems and turbine capacity of 61,330 h.p. Annual delivery of electric energy in the same interval has grown from 34,200,000 kilowatt hours to 148,500,000 kilowatt hours.

## Jamaica Public Service Profits Up in November

From Our Own Correspondent

MONTREAL.—Jamaica Public Service and subsidiary companies report gross earnings at parity of exchange during November amounting to $65,218, as compared with $67,321 for the same month a year ago. After taking care of interest and amortization charges, there remained a balance available for dividends of $18,581, or $967 more than for November, 1931.

For the twelve months ended November, 1932, gross earnings equalled $791,007, down from $832,300 for the previous year. Operating expenses, interest and amortization charges show a small decline, leaving a balance for the current period of $208,676 as against $230,223 for the 12 months ended November, 1931.

## UNITED TOWNS DEFER DIVIDEND OUTLAY IN 1932

### Poor Collections Cause Newfoundland Utility to Take Steps

From Our Own Correspondent

MONTREAL.—United Towns Electric reports collections very difficult in 1932 because of the poor conditions existing in many of the settlements served and for the first time in 28 years has had to postpone dividend payments. It is believed, however, that this will be only temporary and that usual dividend payments will be resumed during 1933.

In covering operations during the past year United Towns Electric Co., operating in Newfoundland, reports the absorption of the Public Service Electric Co. and the taking over of that company's plant at Heart's Content on July 1, thereby unifying the whole system of Conception and Trinity Bay electrical supply under one control. By means of this an alternative supply is provided and transmission lines and plants are now inter-connected so that a continuous supply for all customers is assured from either the Heart's Content or the Victoria stations.

### Progress is Recorded

Several new power customers were added during the year including the new cold storage plant at Holyrood and Bay Bulls.

Five 33,000 volt automatic switches were installed at the company's substation at St. John's, and the necessary apparatus for local distribution of current provided. Energy is now available to St. John's and near-by settlements from either the Seal Cove or Topsail power plants. Voltage regulators were installed at Topsail and Seal Cove. Additional water storage was provided by the erection of "crib" storage dams at Paddy's Pond, on the Topsail watershed, and at Lawn for the company's Burin system, thereby making provision for ample reserves of water in the driest season.

## Avalon Telephone Form Broadcasting Subsidiary

From Our Own Correspondent

MONTREAL. — Avalon Telephone Co., operating in Newfoundland, reports a loss of 1,197 stations for the period from January 1 to December 28, 1932. Offsetting this loss, however, was the installation of 968 new stations. It is stated that a point approximating stability has been reached and it is expected that 1933 will gradually see the balance in the company's favor restored.

During the past year Avalon Telephone Co. incorporated a subsidiary under the name of Dominion Broadcasting Co., to operate a 400 watt station at Mundy Pond substation. It is planned to increase the power of the station up to 5,000 watts if necessary in order to cover the whole of Newfoundland. The station call letters are VONF and regular commercial broadcasting service was commenced on November 14, 1932.

### Montreal Apple Shipments Grow

Apple shipments through the Port of Montreal during the past season showed an increase of about 63 per cent over the previous year, with a total of 153,808 barrels and 918,876 boxes. Based on an average of 525 apples to a barrel and 175 to a box, there were approximately 242,500,000 shipped from Montreal during the period of navigation on the St. Lawrence.

## 1932 C.N.R. Results Back Duff Criticism

### Royal Commission Questioned Operating Efficiency of National Lines But 1932 Sees Much Progress in Economy

By F. S. C.

The Duff Commission on Railways and Transportation in Canada came to the conclusion that the Canadian National Railways was not being run as efficiently as the Canadian Pacific Railway. It presented numerous statistical data to indicate how it arrived at this conclusion and, as a sidelight upon the Canadian National Railways in the Thornton regime, and upon public ownership in general, they are worthy of study.

The Duff report did not go beyond the year 1931 in any of its analyses. During 1932, the Canadian National Railways, under its new acting president, S. J. Hungerford, initiated a comprehensive policy of economy. After reviewing what the Duff report had to say about economy on the C. N. R., we shall refer briefly to the subsequent record of 1932.

Most quoted phrase from the Duff report reads as follows: "Running through its (C. N. R.'s) administrative practices has been the red thread of extravagance."

This "red thread of extravagance" is further elaborated upon in these words:

> "The disciplinary check upon undue expenditure, inherent in private corporations because of their limited financial resources, has not been in evidence. Requisitions of the management have been endorsed by governments, and successive parliaments have voted money freely, if not lavishly.
>
> "Within the railway organization there has been freedom in expenditure and encouragement in plans for expansion and extension services which were inconsistent with prudent administrative practice. The administration failed to realize that this country, with the greatest railway mileage in the world in relation to population, could not afford further capital and maintenance expenditures for unwarranted branch lines, for de luxe services, for unrequired hotels, for the building of ships in competitive service to be shortly abandoned; and, generally, for costly adventures in competitive railways out of proportion to the needs of the country.
>
> "There has been in the country a general sense of expectancy that the publicly-owned enterprise should give all and sundry the railway service desired, and there is no evidence that the representatives of the people in Parliament exercised any appreciable restraint upon railway estimates placed before them."

In previous articles we have discussed extravagant capital expenditures on the C. N. R. Here we are more concerned with the figures that will prove the Commission's charge of extravagance in daily operations.

### No Allowances Made For Depreciation

Business men who handle the accounts of factories, warehouses, stores, etc., have to adjust themselves to a new and radically different system of cost accounting when they study railway figures. In Canada, neither railway charges up one cent of depreciation on any of its lines, equipment, telegraphs, hotels, steamships or other property. But the railways charge to operating expenses maintenance of property and equipment, which includes all major repairs and the value of all equipment finally retired from use.

The Canadian National Railways, since consolidation, has equipped itself with the most modern and most expensive locomotives and rolling stock. In the words of the Duff report it does not lack rolling stock or motive power necessary to efficient operation. The railway has been handicapped by the fact that its mileage is so great that a high traffic density could not be enjoyed. The railway has not been in a position to match the operating performance of the C. P. R.

While C. P. R. performance is not an ideal yardstick for C. N. R. operations, the Duff Commission believed it to have some value especially after the figures of the two roads had been expertly correlated. The Commission believed C. N. R. operating costs to be "in certain particulars" higher than they should be. As examples, supervisory expenses and station and yard services were mentioned. The Commissioners said:

> "The immense expenditures of the Canadian National for the improvement of its property, the larger additions to its rolling stock, the advantages of increased tractive power, and the more generous expenditure upon the upkeep of its property, should have made possible a great improvement in operating performance. Whether the improvement actually secured has been commensurate with the expenditure involved is a moot question."

### Operating Ratios of C. N. R. and C. P. R.

The operating ratio of a railway (the proportion of operating expenses to operating revenues) is generally regarded as indicative of the efficiency of operation and management of an enterprise. Under comparable conditions an increase in this ratio would indicate a falling off in the efficiency of the railway; a decrease in the ratio would suggest greater efficiency.

A comparison of the operating ratios of the two lines between 1923 and 1931 follows:

OPERATING RATIOS

| Year | Canadian National per cent | Canadian Pacific per cent |
|---|---|---|
| 1923 | 91.8 | 81.0 |
| 1924 | 92.5 | 80.5 |
| 1925 | 86.7 | 77.3 |
| 1926 | 82.5 | 75.8 |
| 1927 | 84.9 | 78.5 |
| 1928 | 82.0 | 75.4 |
| 1929 | 85.6 | 77.3 |
| 1930 | 91.4 | 78.4 |
| 1931 | 99.8 | 80.3 |

The commission makes it clear that there are undoubtedly factors that adversely affect the Canadian National in comparison with the Canadian Pacific. The officers of the National system operate two great railroads which were constructed as competitors, with consequent duplication of tracks, shops and facilities, a condition which the co-ordination that has gone on progressively for a decade has not yet entirely overcome. There are also considerations of lighter traffic and shorter average haul with consequent greater terminal and yard expenses in the case of the National lines.

The Canadian Pacific was constructed and developed as a single unified system of railways and thus avoided many of the disadvantages which apply to the Canadian National System.

Nevertheless the Commissioners concluded:

> "An analysis and comparison of accounts of both companies, with due regard to the considerations put forward by the Canadian National as adversely affecting their operations, do not, in our opinion, justify the very considerable differences in the operating ratios of the two systems."

### Hungerford Finds Ways to Save

The analysis by the Duff Commission lends interest to the 1932 economies of the C. N. R. revealed by Mr. Hungerford the other day. Chief point made by Mr. Hungerford is that while revenues declined by $38,000,000 in 1932 below 1931 the expenses declined by $43,000,000. One may summarize Mr. Hungerford's statement as follows:

Decline in 1932 receipts below 1928, $150,000,000.
Decline in costs in same period, $100,000,000.
Operating efficiency has been maintained.
Property has been adequately maintained.
Capital expenditures have been drastically cut. (1929, $91,550,000; 1930, $66,575,000; 1931, $34,287,000. and 1932, $2,100,000).
Employees reduced from 111,000 in 1929 to 77,000 in 1932; compensation from $177,000,000 to $108,000,000.
Unprofitable passenger mileage cut. Passenger train service reduced one-third.
Net revenue improved $6,000,000 compared with 1931.
In consequence of these and other factors, "the government will be called upon to furnish for the railway's needs a much smaller sum than in 1931."

This is the ninth of a series of articles discussing some of the points brought out in the report of the Royal Commission on Railways and Transportation in Canada.

## MONT. STADIUM PLANS CHANGES IN STRUCTURE

### Baseball Activities May be Divorced from Property

From Our Own Correspondent

MONTREAL.—Plans for the reorganization of Montreal Exhibition Co. are moving forward and it is expected that details will be available within the next two weeks. A broad outline of the proposals include segregation of the Montreal Baseball team from the Stadium Building. Hitherto the Exhibition company has operated the team in conjunction with the real estate property.

Losses have been sustained for the past three fiscal years ended October 31, and it is anticipated that more progress would be made if the baseball team were divorced from the rest of the property. New interests are expected to take over the baseball activities and will lease the Stadium from its present owners for a period of 20 years.

How shareholders will fare in the new set-up has not yet been revealed. Public investment interest in Montreal Exhibition Co. is centred in 39,500 shares of class "A" stock and 25,000 shares of class "B." The "A" shares were sold in 1927 at par, or $30 a share, with a bonus of 1 class "B" share with each 4 shares of "A."

Montreal Exhibition Co. has not published a detailed financial statement since it was formed. Though the company has no funded debt it is understood that there is a first mortgage of $300,000 bearing interest at 6½ per cent against the Stadium property.

The Stadium has an estimated valuation of $1,000,000 and is capable of seating 20,000 persons. It also contains an exhibition building comprising 112,570 square feet of space.

## Cattle Shipments to Britain Higher in Past Season

Cattle shipments from St. Lawrence Ports to Great Britain showed some improvement in 1932 although the totals are still far behind those of 1927 and earlier. In all, during the year, 16,940 head of cattle were shipped, 15,343 having left from Montreal and the balance from other St. Lawrence ports. In 1931.

Although the British Government has withdrawn restrictions on the importation of Canadian cattle the depreciated value of the pound sterling and the necessity of the Irish farmers of disposing of their cattle owing to lack of feed, have caused shipments to be curtailed. The difference of exchange in the past few months resulted in a loss of nine dollars a head on an average-size bullock of 1,150 pounds.

## ELECTRIC BOILER AFFECTS OUTPUT CENTRAL PLANTS

### Sharp Gain Recorded in Production of Electric Energy

From Our Own Correspondent

MONTREAL.—Marked advance in the production of electrical energy by central electric stations in Canada during November is attributed, in part to, seasonal influences, but mostly to the greater consumption of energy by steam electric boilers in Quebec newsprint mills.

The returns of the Bureau of Statistics show an output during the month of 1,447,857,000 kw.h., as compared with 1,390,228,000 kw.h. in October, 1932, and 1,415,020,000 kw.h. in November, 1931. Small gains were recorded in the Maritimes, Prairie Provinces and British Columbia, while Quebec reported an increase sufficient to offset the loss in Ontario and the drop in exports. The latter had a gain of 60,000,000 kw.h., while Ontario reported a decline of 15,300,000 kw.h. and exports dropped off 15,715,000 kw.h.

Improvement noted in November brought the average daily output for the month up to 48,261,000 kw.h., or better than that reported for any month since the beginning of 1931. Following are the average daily outputs in kilowatt hours of energy generated by water power in November, 1932, with comparative figures for the preceding month in brackets; Maritimes, 1,770,000 (1,642,000); Quebec, 27,435,000 (24,632,000); Ontario, 11,107,000 (11,243,000); Prairie Provinces, 3,713,000 (3,380,000); and British Columbia, 3,198,000 (3,060,000).

Export of electric energy has fallen away to a point where it represents only a small percentage of the total output. During November last exports aggregated 35,023,000 kw.h. This is the lowest recorded for any month in several years and compares with the high for 1932 of 71,500,000 kw.h., and 162,443,000 kw.h. in 1931.

## Public Utility Earnings

Jamaica Public Service
November

| | 1932 $ | 1931 $ |
|---|---|---|
| Gross | 65,218 | 67,321 |
| Expenses and taxes | 37,347 | 40,654 |
| Net | 27,871 | 26,667 |
| Inc. Other Sources | ...... | 357 |
| Balance | 27,871 | 27,024 |
| Int. and Amor. Charges | 9,290 | 9,411 |
| Balance | 18,581 | 17,613 |

12 Months Ending November 30

| | 1932 $ | 1931 $ |
|---|---|---|
| Gross | 791,007 | 832,300 |
| Expenses and Taxes | 470,515 | 493,121 |
| Net | 320,492 | 339,179 |
| Inc. Other Sources | ...... | 3,911 |
| Balance | 320,492 | 343,090 |
| Int. & Amor. Charges | 111,816 | 112,867 |
| Balance | 208,676 | 230,223 |

Can. Western Natural Gas

| | 1931 $ | 1932 $ | Increase $ |
|---|---|---|---|
| January | 262,102 | 296,751 | 34,649 |
| February | 226,842 | 338,591 | 111,749 |
| March | 232,102 | 287,945 | 55,843 |
| April | 214,889 | 205,967 | *8,922 |
| May | 124,260 | 126,078 | 1,818 |
| June | 84,419 | 85,155 | 736 |
| July | 67,405 | 58,586 | *8,819 |
| August | 59,367 | 55,502 | *3,865 |
| September | 80,883 | 74,297 | *6,586 |
| October | 121,074 | 125,738 | 4,664 |
| Aggre. from 1st Jan. to 31st Oct. | 1,473,343 | 1,654,610 | 181,267 |

*Decrease.

### New Industry for Halifax

A new industry proposed for Halifax—the first of its kind in the Maritimes and presumably in Canada—involves the importing, cleaning, processing and packing of British Empire dried fruits from Australia, India and other countries.

A Fourteen Year Record of the Canadian Dollar in New York

*Invest in Canadian Government and High Grade Municipal Bonds*

A chart showing the trend of the Canadian Dollar in New York from 1919 to 1932 is included in our January Review and Bond List.

Canadian Government and High Grade Municipal Bonds are offered in this Bond List. Bonds diversified as to geographic location of security, class of municipality, as well as price and yield, are obtainable.

January Review and Bond List gladly forwarded on request.

Wood, Gundy & Company
Limited
Toronto Montreal Winnipeg
Vancouver New York London, Eng.

## COCKSHUTT PLOW LOSS REFLECTS POOR MARKETS

### Writes Off $258,795 of Bad Accounts — Draws on Reserves

Operating under the same difficult conditions that affected farm implement manufacturers in 1931, Cockshutt Plow Co. shows a loss of $292,151 in the year ended November 30, 1932, before provision for depreciation. This compares with loss of $494,487 after depreciation in 1931. Deficit in 1932 was further increased to $550,946 through writing off uncollectible accounts to the amount of $258,795. Surplus account was increased by $500,000 by transfer of credits from general and contingent reserves which enabled the company to carry surplus of $107,231 forward.

Income and surplus account is as follows:

Income and Surplus Account
Years Ended Nov. 30

| | 1932 $ | 1931 $ |
|---|---|---|
| Total income | *292,151 | †494,487 |
| Less: | | |
| Uncollect. accts. w/o | ^258,795 | ...... |
| Net profit | †550,946 | †494,487 |
| Less appropriations: | | |
| Common divds. | ...... | 86,580 |
| Surplus for year | †550,946 | †581,067 |
| Add: Previous surplus | 158,177 | 739,244 |
| Transf. from gen. res. | 250,000 | ...... |
| Transf. from conting. res. | 250,000 | ...... |
| Balance carried forward. | 107,231 | 158,177 |

†Deficit.
*Loss before provision for depreciation.
^Includes provision for foreign exchange, and for doubtful accounts.

Current assets were lower at $6,648,295 with cash down to $29,929 from $40,188; accounts and notes receivable practically unchanged at $3,573,745 and inventories down to $3,044,621 from $3,682,720. Bank loans were reduced to $1,376,156 from $1,409,218; accounts payable to $234,732 from $260,813. Unclaimed dividends amount to $16,626 and provision for taxes and unadjusted claims, $22,278. Working capital position is as follows:

Working Capital

| | 1932 $ | 1931 $ |
|---|---|---|
| Current assets | 6,648,295 | 7,303,651 |
| Current liabilities | 1,649,792 | 1,695,083 |
| Working capital | 4,998,503 | 5,608,568 |
| Ratio | 4.03—1 | 4.31—1 |

Insurance and other prepaid items are shown at $32,102; investment in affiliated companies at book value, which is under net worth, of $636,247 and fixed assets of $7,905,379. General reserve has been reduced by $250,000 to $1,250,000 and contingent reserve is reduced by the same amount to $250,000. Merchandise reserve remains at $500,000. There are 288,600 shares of no par value common stock outstanding carried in the balance sheet at $11,465,000.

## CANADA BUD WINS IN COURT ACTION

### Pays $5 For Infringement of Trademark But Not Costs

Action brought against Canada Bud Breweries Ltd. by Anheuser-Busch Inc. of St. Louis, Mo., asking $25,000 damages for infringement of the trademark "Budweiser" and asking for an injunction against the use of a certain label was settled January 7. Judgment awarded the plaintiff $5 damages and injunction against use of label was granted. In other respects the action was dismissed and costs were not awarded. Use of the label in dispute is understood to have been discontinued some months ago.

Charles E. Kiewel, managing director of the company, has denied a rumor to the effect that he was leaving Canada Bud Breweries to undertake the organization of a brewing company in the United States. E. G. Long, K.C., has been elected a director, filling the vacancy caused by the death of W. A. Mackenzie.

ANALYSES AND TESTS
ARE THE ONLY STATISTICS THAT MEASURE THE QUALITY AND SERVICE VALUE OF YOUR PRODUCTS BEFORE THE USER FINDS THEM OUT. THE LABORATORY IS YOUR PROVING GROUND.
MILTON HERSEY
COMPANY, LIMITED
INDUSTRIAL CHEMISTS AND ENGINEERS
MONTREAL - WINNIPEG

"The Trust seems to us almost essential to civilization and yet there is nothing quite like it in foreign Law."
—F. W. Maitland

The Trust is one of the glories of British Law and for more than five centuries has enabled men to provide for the future of their families and their own necessities.

So practical an instrument has naturally been adapted to all sorts of uses. Men can even make themselves their own beneficiaries and such trusts can be revocable or irrevocable.

This is one way of arranging for the management of investments and other personal property. If you are going South this Winter, may we suggest that you appoint this Corporation your trustee. We could send a representative to call upon you at your convenience either at your office or house. You would incur no obligation.

The TORONTO GENERAL TRUSTS CORPORATION
ASSETS UNDER ADMINISTRATION OVER $200,000,000
HON. N. W. ROWELL, K.C., LL.D., President
W. G. WATSON, General Manager
1882 1932
TORONTO MONTREAL OTTAWA WINDSOR WINNIPEG REGINA SASKATOON CALGARY VANCOUVER

# News of Investment Markets

## QUEBEC ISSUE WILL INDICATE MARKET TREND

### Success Will Bring Out Other Borrowers in Near Future

### YIELD IS 4.60 P.C.

### Province Pays 4.673 p.c. for Money — Second Bid is $135,000 Lower — Payable in Canada

A gradual strengthening of high grade bond prices in the past three weeks has been more or less crystallized by the sale of $9,000,000 4½ per cent bonds of the Province of Quebec, due in 1963. The first piece of financing in the current year and the only important public offering since the Dominion Loan in early November, the Quebec issue is expected to give a leadership to the market such as the Ontario loan provided in January, 1932.

The Quebec issue was purchased by a Bank of Montreal syndicate at 97.11, at which price the province is securing money at a cost of 4.673 per cent. The bonds are being offered retail at 98½ to yield 4.60 per cent. The only other bid came from a syndicate headed by A. E. Ames & Co. which offered 95.61 for the bonds. The wide spread between the two bids, representing a difference of $135,000 is evidence of some uncertainty as to the current market. No other Canadian borrower, excepting only the Dominion Government, could have secured as good a price at this time. The last Quebec issue, consisting of $7,500,000 4¼'s, due 1961, was sold in April, 1930, at a cost to the province of 4.36 per cent, and was publicly offered early in May to yield investors 4.30 per cent.

The success with which the Quebec issue is distributed will determine the course of many prospective pieces of provincial and municipal financing. If, as is probable the Quebec issue sells quickly a number of other borrowers will probably enter the market.

The new Quebec bonds are noncallable and are payable in "lawful money of Canada" in Montreal, Quebec or Toronto. The previous issue of April, 1931, was payable "at the holder's option, in gold coin or lawful money of Canada—or in United States gold coin." Bonds of the current issue are available in denominations of $1,000, $500 and $100 whereas the 1931 issue was available in denominations of $1,000 only. A sinking fund will be established sufficient to redeem the entire issue by maturity.

## AMES ISSUES BOOK ON DEBT PAYMENTS

### Shows Total Canadian Funded Debt Total of $7,760,068,232

A summary of amounts payable during 1933 on all Canadian funded debts has been compiled by A. E. Ames & Co. and is currently issued in a booklet which shows clearly the amounts payable each month by different classes of borrowers on account of principal and interest. The summary shows the amounts payable in Canadian funds, in New York funds and in sterling. In addition an estimate is made of the total of all Canadian bonds and debentures outstanding summarized as to place of payment.

The figures, which have in part, been shown previously in The Financial Post show that the total of Canadian funded debts is $7,760,068,232 on which payments in 1933 will total $684,149,048. Of the 1933 payments, $323,346,120 is on account of maturing principal and $360,802,928 is interest. In 1933 payments on Canadian funded debt called for in Canadian funds total $379,382,280; in United States funds $266,124,100 and in sterling $38,642,668.

## Alexander Bldg. Meeting Postponed Three Weeks

From Our Own Correspondent

MONTREAL.—No definite stand was taken at the meeting of first mortgage bondholders of Alexander Building Corp. to pass on the proposed plan of reorganization brought forward as a result of the company's inability to continue paying interest charges. It was decided, however, that further consideration should be given to the reorganization plan and the meeting was adjourned for three weeks, or until the 25th of this month.

### Montreal Grain Handlings Rise

Final figures show that deliveries of grain through the four elevators of the Montreal Harbor Commissioners were 112,883,703 bushels for the twelve months of last year, which is an increase of 23,437,414 bushels over the amount handled outward in 1931, and the best showing made since a record of 211,295,379 bushels was established in 1928.

### Canadian Western Lumber

Statement of Lumber Manufactured, Sales and Price Realized for the Month of October

| October | 1931 feet | 1932 feet | Increase feet |
|---|---|---|---|
| Lumber mfd. | nil | 7,498,400 | 7,498,400 |
| Lumber sold | 998,537 | 5,556,000 | 4,557,463 |
| Price realized | $11,982 | $62,522 | $50,540 |
| Aggr. mfd.* | 70,842,404 | 83,275,447 | 12,433,043 |
| Aggre. sold* | 74,620,493 | 78,718,943 | 4,098,450 |
| Price real.* | $1,064,868 | $959,231 | †105,637 |

Note:—A strike lasting from Sept. 16, 1931, until Nov. 30, 1931, affects the comparative returns shown above.

*From Jan. 1 to end of Oct.

†Decrease.

## Bond Tenders

Jan. 20, Saint Marc de Figuery—$3,000, 6 per cent, 15 year, serial bonds. Anselme Roy, sec.-treas.

12 o'clock noon, Jan. 20, North Bay—$185,745, 6 per cent 20-instal. street paving debentures; $65,969, 6 per cent 20-instal. sewer debentures; $16,818, 6 per cent 10-instal. sidewalk debentures. W. N. Snyder, clerk.

Noon, Jan. 12, County of Lincoln, Ont.—$251,000, 5½% 10-year sinking fund bonds, due 1943. Proceeds for construction of roads. Gross debenture debt of county is $1,468,037 including county and suburban roads and provincial highways. Accrued sinking fund, $708,971. Net debenture debt $759,065 not including present issue. Equalized assessment, $19,760,035. Population, 27,881; acreage, 192,023. Camby Wismer, clerk and treas.

Jan. 20—Saint Marc de Figuery—$30,000, 6 per cent, 15 year, serial bonds.

## Bond Redemptions

| Bond Issues— | Rate | Due | Redeem. | Price |
|---|---|---|---|---|
| Can. West. Nat. Gas | 5% | 1936 | June 15 | 105 |
| Toronto Harbour Comm. | *4½% | 1953 | Jan. 17 | |
| Toronto Power, deb. stk. | 4½% | | | 105 |

*$380,000 for sinking fund.

## CANADIAN BOND DEFAULTS TOTAL $420,471,000 SINCE 1930

(Continued from page 1)

of which there was $41,641,392 principal amount outstanding on date of default. Real estate bonds accounted for the majority of defaults in 1930 when 15 companies were affected to the extent of $11,890,200. This was largely due to the failure of an issuing house in Eastern Ontario and also the inability of other groups to complete the financing of their projects to completion because of general market conditions. In 1932, 23 real estate companies were unable to meet funded debt charges on principal totalling $17,555,164.

The chief item in 1931 defaults was the pulp and paper group. Funded debt of nine companies in this industry was affected to the total of $122,163,194. Two steamship companies and one electric railway line failed to pay interest on a funded debt of $5,709,500 while the failure of Detroit Canada Tunnel and Detroit International Bridge accounted for another $28,469,000.

### More Realty Issues in 1932

The defaults in 1932 include 23 real estate companies, many of which had been operating for some years. These accounted for $18,916,764 of the 1932 total while three public utility companies accounted for $60,000,000. Two steamship companies account for $452,500 and the Detroit Canada Tunnel first mortgage bonds for $8,500,000. Miscellaneous industrial issues total $137,028,931 representing the funded debt of 20 companies.

The following list of companies, on whose issues default occurred and was recognized publicly, or which were reorganized to avoid an impending default, has been compiled by The Financial Post. No attempt has been made to amplify the current position of these bonds since details of reorganization plans are too extended for such a summary:

## Corporation Bond Defaults in Canada, 1930-1933

### CORPORATION BONDS DEFAULTED IN 1933

| Company | Issue | Dated | Due | Amount | Date of Default | Status |
|---|---|---|---|---|---|---|
| Dairy Corp. | 6% s. f. debents., series A | 1930 | 1945 | 500,000 | Jan. 1 | Meeting Feb. 10 |
| | 6% s. f. debents., series B | 1930 | 1945 | 500,000 | Jan. 1 | Meeting Feb. 10 |
| Moirs Ltd. | 6½% 1st Mortgage | 1926 | 1946 | 1,553,000 | Jan. 1 | Committee formed |

Jan. 2

### CORPORATION BONDS DEFAULTED IN 1932

| Company | Issue | Dated | Due | Amount Outstanding | Date of Default | Status |
|---|---|---|---|---|---|---|
| Abitibi Power & Paper | 5% 1st Mortgage | 1928 | 1953 | 49,155,000 | June 1 | In receivership |
| Algoma Steel Corp. | 5% Purchase Money | 1931 | 1944 | 5,800,000 | June 1 | In receivership |
| | 5% 1st Mortgage refund. | 1912 | 1962 | 14,341,453 | | |
| Alexander Building | 6% 1st Mortgage | 1927 | 1947 | 1,978,000 | Oct. 1 | Reorganization proposed |
| Arnold Bros. | 6% 1st Mortgage | 1927 | 1947 | 691,500 | Apr. 1 | Reorganized |
| Beauharnois Power Corp. | 6% Collateral Trust | 1929 | 1959 | 30,000,000 | Apr. 1 | Committee acting |
| Bishop Realty Corp. | 7% 1st Mortgage | 1927 | 1947 | 300,000 | Aug. 1 | |
| | 6½% Ref. Gen. Mtge. | 1930 | 1950 | 182,000 | Aug. 1 | To be retired |
| B. C. Pulp & Paper Co. | 7% Gen. Mortgage | 1926 | 1950 | 1,445,400 | May 1 | Interest & sinking fund postponed to Nov. 1, '34 |
| Burns & Co. | 5½% 1st Mortgage | 1928 | 1948 | 6,800,900 | June 1 | Int. & s. f. postponed to Dec. 1, 1933 |
| Canada Biscuit Co. | 6½% 1st Mortgage | 1926 | 1946 | 1,790,500 | May 1 | Reorganized |
| Canadian Locomotive Co. | 6% 1st Mortgage | 1911 | 1951 | 1,044,800 | July 1 | Reorganized |
| Canadian Mausoleum Co. | 6% Bonds | .... | 1943 | 200,000 | Oct. 1 | |
| Canadian Theatres | 6½% 1st Mortgage | 1926 | 1941 | 374,100 | Mar. 1 | Int. & s. f. deferred |
| Cons. Oka Sand & Gravel Co. | 6½% 1st Mortgage | 1928 | 1948 | 671,000 | Nov. 1 | |
| Cawthra Apartments Ltd. | 7% 1st Mortgage | 1926 | 1946 | 425,000 | June | Reorganized |
| Crescent Road Apts. | 7% 1st Mortgage | 1926 | 1946 | 157,000 | Mar. 1 | |
| Detroit & Canada Tunnel | 6% 1st Mortgage | 1928 | 1953 | 8,500,000 | May 1 | In receivership |
| Dominion Tug & Barge | 7% 1st Mortgage | 1927 | 1947 | 225,000 | | |
| Dominion Woollens & Worsteds | 6% 1st Mortgage | 1928 | 1948 | 2,117,000 | Dec. 1 | Reorganized: Int. & s. f. deferred |
| Donnacona Paper Co. | 5½% 1st Mortgage | 1928 | 1948 | 6,852,000 | Aug. 1 | Reorganized |
| | 6% Debentures "A" | 1928 | 1948 | 4,600,000 | Feb. 1 | |
| | 6% Debentures "B" | 1930 | 1948 | 600,000 | Feb. 1 | |
| Drummond St. Realty | 6½% Refund. Gen. Mtge. | 1927 | 1942 | 625,000 | Feb. 1 | Int. & s. f. deferred to 1934 |
| Electric Elevator & Grain | 6% 1st Mortgage | 1929 | 1944 | 450,000 | Jan. 1 | Int. & s. f. deferred |
| Firstbrook Boxes | 6% 1st Mortgage | 1928 | 1948 | 487,500 | June 15 | Reorganized |
| Fraser Companies | 6% 1st Mortgage | 1925 | 1950 | 8,202,000 | July 1 | Reorganized |
| | 6% Convertible Notes | 1929 | 1932 | 3,500,000 | | |
| General Brock Hotel | 6% 1st Mortgage | 1928 | 1948 | 970,000 | Oct. 1 | In receivership |
| Gleneagles Investment | 6½% 1st Mortgage | 1929 | 1944 | 1,076,200 | June 15 | Default corrected |
| Insurance Exchange Corp. | 6½% 1st Mortgage | 1923 | 1925-38 | 1,600,500 | Jan. 15 | Adjustment asked |
| Keefer Realty Corp. | 6½% 1st Mortgage | .... | 1948 | 7,000,000 | Dec. 1 | Reorganization probable |
| King Edward Hotel Co. | 7% Refund. Mortgage | 1924 | 1944 | 1,145,000 | Mar. 1 | In receivership |
| Lake St. John Power & Paper | 6½% 1st Mortgage | 1927 | 1947 | 4,888,000 | Aug. 1 | Reorganization proposed |
| | 6½% Mtge. Debents. | 1927 | 1942 | 2,849,000 | Aug. 1 | |
| National Brick Co. of Laprairie | 6% 1st Mortgage | 1929 | 1949 | 1,600,000 | Mar. 1 | Reorganized |
| Lake Superior Corp. | 5% 1st Mtge. Coll. Trust | 1907 | 1944 | 5,278,000 | June 1 | In receivership |
| Northwestern Power | 6% 1st Mortgage | 1930 | 1960 | 10,000,000 | July 2 | Committee formed |
| Ontario Power Service | 5½% 1st Mortgage | 1930 | 1950 | 20,000,000 | July 1 | Bonds bought by Ont. Hydro Elec. Power Commission |
| Oshawa Buildings | 6½% 1st Mortgage | 1928 | 1943 | 235,000 | Jan. 2 | |
| Pacific Coast Terminals | 6½% 1st Mortgage | 1928 | 1948 | 1,500,000 | Feb. 1 | Reorganization pending |
| | 7% Debentures | 1928 | 1948 | 300,000 | Feb. 1 | Int. gtd. & paid by City of New Westminster |
| Price Brothers | 6% 1st Mortgage | 1923 | 1943 | 11,061,600 | Aug. 1 | Committee formed |
| Prince Edward Hotel Co. (Border Cities Hotel Co.) | 7½% 1st Mortgage | 1921 | 1924-41 | 715,000 | Mar. 1 | Reorganization proposed |
| Restigouche Co. | 5½% 1st Mortgage | 1929 | 1948 | 1,900,000 | Aug. 1 | Reorganized |
| Stanley Realty Corp. | 7% 1st Mortgage | 1925 | 1945 | 400,008 | Sept. 1 | Reorganization proposed |
| Stock Exchange Building | 6% 1st Mortgage | 1929 | 1944 | 533,464 | June 30 | Committee acting |
| Themis Building Ltd. | 6½% 1st Mortgage | 1925 | 1942 | 675,000 | Mar. 1 | S. F. deferred |
| Trinity Apartments | 6½% 1st Mortgage | 1927 | 1947 | 160,000 | Apr. 1 | |
| Union Transit Co. | 6% 1st Mortgage | 1928 | 1929-38 | 227,500 | June 1 | Bondholders on board |
| University Tower Corp. | 6% 1st Mortgage | 1930 | 1950 | 1,250,000 | May 1 | Int. & s. f. deferred |
| | 6½% Convert. Gen. Mtge. | .... | 1956 | 1,000,000 | May 1 | |
| Vancouver Georgia Hotel | 6½% 1st Mortgage | 1926 | 1929-42 | 1,293,000 | June 1 | Adjustments made |
| Western Steel Products | 6% 1st Mortgage | 1928 | 1948 | 1,090,778 | Feb | In receivership Feb. 2 |
| Windsor Court Apartments | 6% 1st Mortgage | 1927 | 1942 | 375,000 | Dec. 1 | Bondholders to meet |
| York-Adelaide Realty | 7% 1st Mortgage | 1925 | 1945 | 400,000 | June 1 | Meeting to be called |
| | 6½% Ref. Gen. Mtge. | 1930 | 1950 | 160,000 | | |

### CORPORATION BONDS DEFAULTED IN 1931

| Company | Issue | Dated | Due | Amount Outstanding | Date of Default | Status |
|---|---|---|---|---|---|---|
| Algoma Central Terminals | 5% 1st Mortgage | 1931 | 1959 | 2,995,628 | Dec. 31 | Committee acting |
| Anticosti Corp. | 6½% 1st Mortgage | 1926 | 1941 | 5,192,500 | Aug. 1 | Taken into Cons. Paper |
| Belgo-Canadian Paper Co. | 6% 1st Mortgage | 1923 | 1943 | 8,240,500 | July 1 | Taken into Cons. Paper |
| Canada Housing Corp. | 6% Debentures | 1928 | 1948 | 150,000 | Mar. 1 | Merged with Montreal Properties |
| Canada Power & Paper Corp. | 5½% Coll. Trust Debs. | 1928 | 1958 | 35,466,700 | July 2 | Reorganized as Cons. Paper |
| Candn. Rail & Harbour Term. | 7% Gen. Mortgage | 1926 | 1945 | 2,000,000 | June 1 | Committee formed. No action to date |
| | 7% S. F. Debentures | 1926 | 1956 | 305,000 | Sept. 1 | |
| Candn. Terminal System | 6% Coll. Trust "AB" | 1930 | 1950 | 1,110,600 | | Reorganized |
| | 6% 2nd Mortgage "A" | 1928 | 1948 | 1,565,200 | | |
| | 6% Debentures | 1928 | 1948 | 300,000 | | |
| Detroit & Canada Tunnel | ½% Convert. Debs. | 1928 | 1948 | 8,491,000 | Aug. 1 | Committee formed |
| Detroit Intern. Bridge | 6½% 1st Mortgage | 1927 | 1952 | 11,978,000 | Aug. 1 | Committee formed |
| | 7% Partic. Debs. | 1927 | 1948 | 8,000,000 | Feb. 1 | |
| Fraser Companies | 6½% Debentures | 1927 | 1942 | 6,000,000 | Apr. 1 | Reorganized, 1932 |
| Great Lakes Paper Co. | 6% 1st Mortgage | 1928 | 1950 | 10,000,000 | Mar. 1 | In receivership |
| Lord Nelson Hotel Co. | 6½% 1st Mortgage | 1927 | 1947 | 600,000 | Nov. 1 | Int. rate reduced |
| Mathews Steamship Co. | 6% 1st Mortgage | 1927 | 1928-42 | 1,700,000 | Feb. 1 | In receivership |
| Milton Brick Co. | 6½% 1st Mortgage | 1925 | 1935-40 | 285,000 | Oct. 1 | In receivership |
| Minnesota & Ont. Paper | 6% 1st Mortgage "A" | 1925 | 1945-50 | 15,400,000 | Apr. 1 | In receivership |
| | 6% 1st Mortgage "B" | 1926 | 1948 | 4,000,000 | Apr. 1 | |
| | 6% 1st Mortgage "C" | 1927 | 1950 | 5,000,000 | May 1 | |
| | 6% Notes | 1926 | 1931 | 3,500,000 | Mar. 1 | |
| Montreal Rail & Water Term. | 6½% 1st Mortgage | 1926 | 1951 | 3,000,000 | Aug. 1 | Reorganized |
| | 7% Gen. Mortgage | 1926 | 1946 | 600,000 | Sept. 1 | - |
| | 7% Debentures | 1926 | 1956 | 200,000 | | |
| Mountain View Apartments | 7% 1st Mortgage | 1926 | 1946 | 300,000 | Feb. | Reorganized |
| Municipal Bankers Corp. | 7% Coll. Trust | .... | 1931 | 115,200 | | Reorganized Apr., 1931 Bonds exchanged for gen. mtge. bonds |
| | 6½% Mortgage | 1922 | 1942 | 440,500 | | |
| | 6% Mortgage, Series "A" | 1923 | 1943 | 500,000 | | |
| | 6% Mortgage, series "B" | 1924 | 1944 | 500,000 | | |
| | 5¾% Mtge., Series "C" | 1925 | 1945 | 500,000 | | |
| | 5¾% Gen. Mortgage "A" | 1926 | 1946 | 139,500 | | |
| | 6% Debentures | 1925 | 1955 | 201,600 | | |
| Ontario Bakeries Ltd. | 6% 1st Mortgage | 1926 | 1946 | 904,500 | Jan. 2 | Interest deferred |
| Port Alfred Pulp & Paper | 5½% 1st Mortgage | 1927 | 1957 | 14,999,667 | May 1 | Taken into Cons. Paper |
| St. Maurice Valley Corp. | 6% 1st Mtge. Coll. Trust | 1925 | 1945 | 8,836,225 | June 1 | Taken into Cons. Paper |
| | 5½% 1st Mortgage "B" | 1927 | 1957 | 2,000,000 | Sept. 1 | |
| St. Julien Co. | 7% 1st. Mortgage | 1923 | 1928-38 | 313,000 | Sept. 1 | Adjustment made |
| Seaman-Kent Co. | 7% 1st Mortgage | 1924 | 1944 | 390,000 | June 1 | In receivership |
| Sin-Mac Lines Ltd. | 6% 1st Mortgage | 1929 | 1949 | 1,381,500 | Oct. 1 | Committee acting |
| Starr Manufacturing Co. | 6% 1st Mortgage | 1928 | 1948 | 300,000 | Feb. 1 | Int. & s. f. waived |
| | 6% Gen. Mortgage | 1928 | 1943 | 125,000 | May 1 | |
| Toronto Suburban Railway | 4½% 1st Mtge. Deb. Stock | 1911 | 1961 | 2,628,000 | July 15 | In receivership |
| Wayagamack Pulp & Paper Co. | 6% 1st Mortgage | 1911 | 1951 | 3,527,600 | Aug. 1 | Taken into Cons. Paper |

### CORPORATION BONDS DEFAULTED IN 1930

| Company | Issue | Dated | Due | Amount Outstanding | Date of Default | Present Status |
|---|---|---|---|---|---|---|
| Adelaide-Sheppard Co. | 7% 1st Mortgage | 1928 | 1948 | 800,000 | Sept. 15 | Default waived |
| Annandale Court Apts. | 6½% 1st Mortgage | 1929 | 1932-36 | 135,000 | Dec. | Foreclosed Dec., 1930 |
| Asbestos Corp. | 6% 1st & Ref. Mtge. | 1926 | 1956 | 2,361,000 | Jan. 1 | Reorganized, 1932 |
| | 6% Gen. Mortgage | 1926 | 1936 | 4,132,300 | July 1 | |
| Border Cities Co. | 7% 1st Mortgage | .... | 1928-38 | 480,700 | May 1 | Union Trust liquidating assets for bondholders |
| | 6½% 1st Mortgage | .... | 1929-38 | 246,000 | May 1 | |
| Canadian Paperboard Co. | 7% 1st Mortgage | 1922 | 1937 | 1,260,000 | Apr. 1 | In receivership |
| Chomedy Apartments Ltd. | 6% 1st Mortgage | 1926 | 1941 | 325,000 | July 1 | Reorganized Dec., 1930 |
| Clarendon Apartments | 7% 1st Mortgage | 1926 | 1946 | 482,000 | Dec. 15 | Trustee in charge |
| Clarendon Properties | 7% 1st Mortgage | 1927 | 1947 | 700,000 | May 1 | Trustee in charge |
| Genosha Hotel Co. | 6½% 1st Mortgage | 1928 | 1930-38 | 325,000 | Sept. 1 | In receivership |
| Greater Windsor Development | 6½% 1st Mortgage | 1927 | 1929-37 | 365,000 | | In receivership |
| Kensington Manor Apts. | 7% 1st Mortgage | 1924 | 1926-31 | 95,000 | | Receiver appointed |
| King Edward Hotel Co. | 8% Gen. Mtge. Deb. "A" | 1923 | 1963 | 2,444,000 | Dec. 1 | Compromise made March, 1931 |
| | 8% Gen. Mtge. Deb. "B" | 1923 | 1963 | 827,200 | Dec. | |
| Professional Offices Ltd. | 7% 1st Mortgage | 1922 | 1925-42 | 223,500 | July 1 | Reorganized Dec., 1930 |
| Queen's Park Plaza | 6½% 1st Mortgage | 1927 | 1930 39 | 875,000 | July 1 | Committee formed |
| | 6½% Gen. Mortgage | 1927 | 1932-42 | 525,000 | | |
| Quinte & Trent Valley Power | 6% 1st Mortgage | 1925 | 1955 | 444,000 | July 1 | Interest deferred |
| 80 Richmond St. West Ltd. | 6½% 1st Mortgage | 1929 | 1949 | 546,800 | May 1 | In receivership |
| St. Clair Apartment | 7% 1st Mortgage | 1926 | 1929-33 | 70,000 | | In receivership |
| Wellington Building | 6½% 1st Mortgage | 1928 | 1930-35 | 425,000 | July 5 | In receivership |
| Zimmerknit Co. | 6% 1st Mortgage | 1928 | 1948 | 750,000 | Aug. 1 | Reorganized |

## Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES PROVINCIAL AND DOMINION GOVERNMENTS

| | Date Sold | Sold To | Rate | Due | Amount | Price | Yield |
|---|---|---|---|---|---|---|---|
| Provincial— | | | | | | | |
| Quebec | Jan. 10 | Bk. of Montreal, Bk. Can. Nationale, McLeod, Young, Weir & Co., Fry, Mills, Spence, Bell, Gouinlock, National City, Harris, Forbes, F. W. Kerr & Co., McTaggart, Hannaford, Birks & Gordon, Hanson Bros., L. G. Beaubien & Co., Nesbitt, Thomson & Co., Mead & Co., Harrison & Co., Royal Securities Corp., Ernest Savard, Rene T. Leclere, Collier, Norris & Henderson | 4½% | 1963 | $9,000,000 | 97.11 | 4.673 |
| Municipal— | | | | | | | |
| Village of Sterling, Ont. | Dec. | *Robinson, Douglas & co. | 6% | 30-yr. | $18,400 | 100.75 | 5.95% |

## Summary of Week's Annual Reports

A brief analysis of company earnings per annual statements received since last week's issue. Company name in bold type indicates stocks listed in Canada or New York. Net income shown is before preferred dividend, if any. Market prices are at close on Tuesday this week or last sale.

| Company | Year End | Net Income 1932 $ | Net Income 1931 $ | Common earnings 1932 $ | Common earnings 1931 $ | Curr. divid. $ | Balance car. fwd. 1932 $ | Balance car. fwd. 1931 $ | Mkt. | Mkt. times earn. | Yield % |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Canada Vinegars** | Nov. 30 | 151,697 | 168,675 | 1.65 | 1.83 | 1.60 | 204,960 | 200,463 | 15 | 9 | 10.6 |
| **Cockshutt Plow** | Nov. 30 | *550,946 | *494,487 | ... | ... | ... | 207,231 | 158,177 | 4 | ... | ... |
| Central Can. Loan | Dec. 31 | 264,937 | 335,359 | 10.6 | 13.4 | 10 | 139,116 | 136,679 | ... | ... | ... |

*Loss.

## CHURCH TRUSTEES HOLD UP PAYMENT ON REALTY BONDS

### Secure Interim Injunction Against St. Catherine Stanley Realty

From Our Own Correspondent

MONTREAL.—An interim injunction has been granted by the courts on the petition of the trustees of St. James United Church preventing the St. Catherine St. Stanley Realty Corp. fro paying interest now due on its bonds.

In their petition to the court asking for an interlocutory injunction, the church trustees say that if the bond interest is paid the church stands in danger of losing its property because of unpaid city taxes on stores standing in front of the St. Catherine St. church.

### Terms of the Lease

In July, 1926, the petition sets forth, the store property was leased to Joseph Charles Asch for a term of 30 years at rentals varying from $26,000 for the first ten years to $40,000 in the last ten years. Asch later transferred the lease to the St. Catherine St. Realty Corporation. Under the terms of the 30-year lease federal, provincial and municipal taxes must be paid by the lessee and the rental paid quarterly to the church.

Some time later the St. Catherine Street Realty Corporation issued 6½ per cent bonds to the amount of $275,000 and transferred to the Royal Trust Company, as trustee, all its interest in the lease. Now, the church authorities declare, arrears of rent amounting to $5,000 have accumulated and the corporation owes the City of Montreal $20,000 for taxes. Nevertheless the corporation proposes to pay the regular interest on its bonds, and if this is done, the church declares, it stands in danger of having its property, worth from $2,000,000 to $4,000,000, sold by the sheriff for city taxes.

The defendant corporation argued that an injunction did not lie to restrain a company from paying its dividends. For the church it was argued that the position was not the ordinary one between creditor and debtor. The position was that the corporation had failed to observe the stipulations of its agreement and the church was in danger of losing its property.

Mr. Justice Surveyer ordered an interim injunction issued and took the petition for an interlocutory injunction under advisement.

## Quebec Asks Tenders on $9,000,000 Bond Issue

From Our Own Correspondent

MONTREAL.—Province of Quebec is asking for tenders on an issue of $9,000,000 non-callable 4½ per cent 30 year sinking fund bonds, principal and interest on which will be paid in Canadian funds. The money to be borrowed under this loan is to reimburse the consolidated revenue fund for advances made on capital expenditures. The tenders close at noon on January 10.

## Canadian Financing Total Was $461,442,456, in 1932

### Governments and Municipalities Borrowed at Home to Greater Extent; Total Under 1931 But Exceeds That of 1930

Government and municipal financing in 1932 attained a total of $461,442,456 in 1932, according to figures compiled by Wood, Gundy & Co. Of this total Federal government financing accounted for $226,250,000 or 49 per cent. Provincial financing at $135,571,333 exceeded that of 1931 while increased borrowing by municipalities in Quebec and the Maritimes accounted for the increase in the municipal total.

In contrast with the four preceding years, 1928 to 1931, the figures are impressive chiefly from the fact that a much larger percentage of Canadian borrowing was done from Canadian investors while the London market opened up to a greater extent than has been the case for many years.

Comparison of 1932 government and municipal financing with that of preceding years is as follows:

DOMINION OF CANADA
GOVERNMENT AND MUNICIPAL FINANCING
For Years Ended December 31

| | 1929 $ | 1930 $ | 1931 $ | 1932 $ |
|---|---|---|---|---|
| Dom. Govt. | 138,500,000 | 218,600,000 | 981,014,700* | 226,250,000 |
| Provincial | 120,590,152 | 120,483,000 | 130,416,205 | 135,571,333 |
| Ontario Municipal | 30,908,224 | 53,883,563 | 35,278,836 | 32,563,670 |
| Quebec & Maritime Munic. | 41,071,770 | 31,507,354 | 43,326,000 | 63,007,687 |
| Western Municipal | 10,474,176 | 29,336,801 | 11,413,363 | 4,049,766 |
| Total | 341,544,322 | 453,810,718 | 1,201,444,104* | 461,442,456 |
| Sold in Canada | 148,622,124 | 205,196,618 | 445,556,604 | 365,329,123 |
| Sold in U. S. A. | 175,963,198 | 241,744,100 | 113,854,000 | 82,535,000 |
| Sold in England | 16,959,000 | 6,870,000 | 2,217,000 | 13,578,333 |

*Includes $639,816,500 Conversion Loan.

## WESTERN BREWING SURPLUS REDUCED

### Current Liabilities Exceed Current Assets; New Directors

Western Breweries Ltd. reports a loss of $16,351 in the year ended October 31, 1932, after provision for administration expense and bond interest. Provision for depreciation was $91,847. In 1931, after depreciation of $168,629 the company had a deficit of $29,306. Deductions from surplus included loss on plant sold, $2,887; adjustments on account of previous year, $6,269; provision for losses of a subsidiary of Drewrys Ltd., $8,849; investment written off, $41,274; preferred dividend paid shareholders of subsidiary companies, $2,920 and income tax $100.

Current assets are shown at $337,986 and current liabilities at $349,437. In 1931, current assets were $636,953 and current liabilities were $396,954. Included in current assets at October 31, 1932, were accounts receivable, $181,096; advances to employees, $6,544. Cash was $11,005 and inventories $180,377. Loans and other investments are carried at $589,920; fixed assets are valued at $2,697,111 and goodwill at $358,013. Deferred charges are shown at $75,491 and organization expense of American business $17,824.

Included in current liabilities are sundry creditors to whom $173,943 is owing; accrued wages, $5,547; bank loans $140,000; income tax reserves, $29,945. There remains outstanding $450,000 of bonds on which there is $10,500 accrued interest. Reserves for depreciation total $975,644.

At the annual meeting held December 28, two new directors were elected, L. P. Mason and T. G. Breen. C. G. Spencer, Wilbur Law, T. H. Rathjen, and Harold Drewry represent the bondholders, while remaining members of the board are: R. T. Evans, G. M. Black, Leo McCarthy, H. D. McLaughlin, W. A. Lawson and C. C. Fields.

## Gurd Paid $1.20 a Share in Last Fiscal Period

From Our Own Correspondent

MONTREAL.—With a payment of 15 cents a share on its common stock payable January 7, Charles Gurd and Co. rounded out 1932 with dividend disbursements on its common totalling $1.20 a share compared with $2 in the previous year. During the past year quarterly payments comprised two of 40 cents, one of 25 cents and one of 15 cents. The stock is now on an annual basis of 60 cents a share.

In 1931 earnings were equal to $1.97 a share after preferred dividends. Sales have declined during the past year.

## 1932 Canada Life Leaders Hail From French Canada

Two outstanding sales records were made in Quebec province in 1932 by two Canada Life representatives whose clients are principally French-Canadians.

C. F. Charbonneau of the Montreal St. James Branch is leading producer in volume for the year. E. Cooney of Chicoutimi is the leader in number of policies sold, having placed life insurance and annuities with 144 people during 1932. Mr. Charbonneau becomes president of the company's "Quarter Million Club" and Mr. Cooney, the first vice-president.

In December alone, Mr. Charbonneau sold four annuity bonds involving a total of $16,700 in annual premiums, besides some $55,000 of life insurance. In competition for production club honors, the credit of this business amounted to over $700,000. Mr. Charbonneau has had wide experience both as a personal producer and as a branch manager, and is well known as an estate analyst.

Since 1850, when the Canada Life began issuing policies in the French language, the company has had a number of distinguished French-Canadian sales representatives. None, however, have equalled the record volume of business done by Mr. Charbonneau in December or the record number of policies sold by Mr. Cooney during the year.

East Quebec Branch with M. A. de Goumois as manager set another record with an increase of some 300 policies and $300,000 in business.

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Estimates
Paper and Pulp Mills
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Steam Power Plants
Plans and Specifications

CENTRAL CANADA
LOAN AND SAVINGS COMPANY

49th ANNUAL STATEMENT

—December 31st, 1932—

ASSETS

Office Premises—
Corner King and Victoria Streets, Toronto
Simcoe Street North, Oshawa — $200,000.00
Real Estate—
Held for Sale — 20,071.86
Mortgages—
Principal — $1,551,400.35
Interest due and accrued — 31,399.98
1,582,800.33
Loans on Bonds and Stocks — 304,553.67
(Repayable on demand)
Bonds and Stocks owned—
(Within market value)
Bonds of Dominion of Canada and Provinces thereof — $1,923,161.10
Debentures of Municipalities in Ontario and Quebec — 559,841.59
Other Bonds and Debentures — 1,887,200.00
4,370,202.69
Stocks — 3,612,330.48
7,982,533.17
Cash—
On hand and in Chartered Banks — 913,139.39
$11,003,098.42

LIABILITIES

To the Public—
Debentures — $1,367,541.86
Deposits — 4,833,940.40
To the Shareholders—
Capital Stock:
(Authorized $5,000,000.)
25,000 Shares, fully paid up — 2,500,000.00
Reserve Fund — $2,100,000.00
Dividend, due Jan. 3rd, 1933 — 62,500.00
Profit and Loss Account — 139,116.16
2,301,616.16
$11,003,098.42

PROFIT AND LOSS ACCOUNT

Balance at Credit of Profit and Loss Account, December 31st, 1931 — $136,679.38
Net Profits for the year, after deducting all Management and other expenses, Interest on Deposits and Debentures, and making provision for all losses — 264,936.78
$401,616.16
Appropriated as follows:—
Quarterly Dividends, Nos. 192, 193, 194 and 195, amounting to 10½% on the Company's paid-up Capital — $262,500.00
Balance carried forward — 139,116.16
$401,616.16

BOARD OF DIRECTORS

President:
E. R. WOOD
Vice-President, The Canadian Bank of Commerce

Vice-Presidents:
G. A. MORROW, President, The Imperial Life Assurance Company
H. C. COX, Chairman of the Board, The Canada Life Assurance Company
LEIGHTON McCARTHY, K.C., President, The Canada Life Assurance Company

W. G. MORROW, Vice-President and Managing Director, Toronto Savings and Loan Company
E. T. MALONE, K.C., Vice-President, Toronto General Trusts Corporation
W. S. HODGENS, Director, General Steel Wares Limited
A. B. FISHER, Vice-President, Canadian Real Estate Company, Limited
A. H. COX, President, Provident Investment Company

SURPLUS OF ASSETS OVER LIABILITIES TO THE PUBLIC OVER $4,800,000.00

Head Office: King and Victoria St., Toronto
Branch Office: 23 Simcoe St. North, Oshawa

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Member Audit Bureau of Circulations
President—JOHN BAYNE MACLEAN
Vice-President—HORACE T. HUNTER
Editor—FLOYD S. CHALMERS
Business Manager—D. M. GOWDY

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TORONTO, JANUARY 14, 1933

## TAXPAYERS' MONEY

IN HIS New Year message, Hon. H. H. Stevens, Minister of Trade and Commerce, indicated his recognition of the need for governmental economy and avoidance of overburdening debt, and at the same time pointed out the need for business men in control of the funds of others to manage their shareholders' money as if it were their own. We quote this portion of his message as follows:

"It is high time that the world generally and governments particularly, should begin to live within their means, cease going into debt and see to it that as far as possible, every dollar that they expend shall be productively employed. After all, debt of every kind is ordinarily an incubus upon the debtor, and it is only in unusual circumstances and eras of rapidly rising prices that the debtor can afford to borrow at high rates of interest and still have something left over for himself. For the nation or for the municipality, as for the private corporation and the individual, debt is inherently objectionable and to be avoided . . . .

"Finally, in business we require men of a careful and cautious type who will refrain from plunging into extravagances of new plant and new machinery when times are prosperous, forgetful of the fact that all undue expansion tends to defeat its own purpose. We need more business men who will manage their shareholders' money as if it were their own."

The suggestion that a need exists in Canada for more business men "who will manage their shareholders' money as if it were their own" is much to the point. And we are glad that Mr. Stevens recognizes that there is also a crying need in this country for more politicians who will handle their taxpayers' money as if it were their own.

## DOCTRINE OF SPENDING AS WAY OUT

ON THE theory that "the world is wasting its substance in riotous saving" various economists are now urging the public to "loosen up" and spend money.

They put it about like this: in ordinary times it does not make much difference, from the public standpoint, whether you save or spend. If you save, you have to invest the money and it goes into capital investments, such as bricks, mortar and labor that represent spending. But now there is lack of confidence and no new venturesome investment. When you save now you either leave the money in the bank or purchase existing securities, which is the same as hoarding. Consumption is cut down and as consumption is cut down, labor, machinery and transport are idle, reducing the national income and intensifying depression.

Their remedy then is for every one to spend money. First, they would have governments spend money on public works and even on relief schemes. Second, they would have all private individuals spend to the limit of their ability. Some economists go so far as to suggest that people ought to borrow to spend now. With enough spending restored, the depression will quickly cure itself, the argument runs.

The plea to spend has more than a grain of sanity in it but it would not be unwise for any one to accept it in its entirety without consideration of a few points of importance.

Public bodies in Canada would be in a better position to undertake spending programmes now if they had not already spent to the limit of their taxing and borrowing powers, not only in the period of prosperity but in the three years since when enormous sums have been borrowed for relief programmes. Inability of governments to balance their budgets is one of the depressing factors that is extending the life of the present crisis and they can make a stronger contribution to economic good health by curtailing their expenditures, reducing taxes and balancing their budgets than by spending more money now.

With corporations, the expenditure of money on new capital investments now must be made with a full appreciation of the fact that there is at present, in nearly every field, a producing capacity in excess of the present consuming power. Increased demand for goods must inevitably precede the construction of any substantial total of new factories. Corporation investments are likely to be restricted, for some time yet, very largely to the purchase of new machinery capable of reducing costs through an increase in efficiency. Parenthetically, it is not without importance that this will involve in most cases the introduction of labor saving devices which will not help to solve the immediate or nearby unemployment problem.

With private individuals the case is somewhat different. The first rule to maintain is that of economic self-preservation. The man with ample assets to meet emergencies does not need to save simply to protect himself. The man whose reserves are not so great, whose income is not assured, who may run into trouble before the crisis is over is very wise to keep his expenditures to the minimum and to buttress himself with money in the bank.

The appeal then narrows down to the individual who has an assured income, who has a reserve of liquid assets against emergencies but who has curtailed his expenditures simply because he feels that it is the proper thing to do. To such a man or woman the appeal may quite properly be made that thrift is not necessarily patriotic.

A great many people, who could maintain a higher standard of living than they now have, have reduced their expenditures simply because they feel that normal spending now might lead to a charge of ostentation and display. They feel that if they were to entertain as freely as in normal times, to drive as many motor cars or to wear as good clothes and to travel as much, would lead people to remark that they ought to spend less and give more to charity or to the unemployed. So they curtail their budgets, put the excess income in the bank and live more quietly to avoid criticism. Such people would be doing a better service to the community by spending more freely and thus helping to get the wheels of industry turning more rapidly.

The indirect effect of their expenditures would be as great as the direct expenditures. Their example would influence others and help to set up a more normal buying power.

There is no virtue and no vice in either spending or saving merely as such But there is virtue in a balanced programme of handling one's income.

## GOOD BANKERS

THE magazines and newspapers of the United States are filled with articles of praise about the Canadian banking system. But occasionally some alarmed American banker takes his pen in hand to state that our banking system is not as good as it is made out to be, that it has cramped Canadian development and that the reason we have only 10,000,000 people while they have 125,000,000 lies in the difference between the two banking systems.

There are so many points of argument in the controversy about the relative value and strength of local "community" banks and branches of large national banking institutions that the debate is not likely to die down from want of fuel to keep it alight. Most of the debate is comparatively irrelevant.

The essential difference between Canadian and British banking on the one hand and United States banking on the other hand in the years immediately before and during the economic crisis has been the difference between good banking and bad banking. This in turn is largely a matter of training and background.

The branch bank system in Canada and England turns out bankers of experience and understanding. No man assumes a post of authority until he has had national or international experience in every phase of banking. The system, besides breeding sound banking instincts, develops traditions and the deepest sense of trust.

The old established American bankers that have made sound banking their first consideration over a term of years, who have trained good bankers within their own organizations, who have more traditions than vice-presidents, have pulled through the depression as have our banks.

The Americans will not gain this one supreme advantage of branch banking in the early years of its adoption by them. But it will come in time and as better banking sense becomes more widely distributed throughout that country there will be a cessation of these waves of banking collapse.

## IS HYDRO CREATING POWER SURPLUS?

NOT a few people are of the opinion that the Ontario Hydro-Electric System is piling up trouble for the future by its very large purchases and development of power. Ontario taxpayers have an investment of $268,000,000 in the provincial electrical system and the municipalities have an additional investment of $105,000,000. Further enormous expenditures are projected, including about $70,000,000 to start the St. Lawrence. The Hydro has reached the point where millions of dollars may be spoken of casually. When an organization reaches such a size it has entered its dangerous age.

Hydro engineers put up a very convincing argument in favor of their commitments for large additional power reserves in the next few years. They say that only very large developments are of any use to Hydro now; large developments take years to plan and construct; growth in demand must be plotted several years ahead; the falling demand of a period of depression must not be too seriously considered as additional power will be utilized at a very rapid rate quite early in the turn of the cycle toward normal social and economic conditions. The Hydro viewpoint is presented in the 1931 annual report recently issued. It is entitled to full consideration as, after all, the Hydro is manned by many capable engineers. But the argument is much like the ones used to justify the reckless over-expansion of the Canadian newsprint industry. Past records of growth were cited in the hope that the rate of expansion in demand would continue for many years without interruption. The necessity of planning years ahead was also stressed. The result of this particular kind of planning is today the bankruptcy of our largest producing industry.

There are some rather disturbing figures in the Hydro report. For instance, Hydro's peak load declined, between October, 1930, and October, 1931, from 1,263,500 h.p. to 1,081,000 h.p. Much of this decline was due to smaller sales of so-called off-peak or export power which in any event sells at a very low rate. Nevertheless, the sales of power to Canadian consumers declined 80,000 h.p. During the same period the system's supplies of power increased from 1,365,781 h.p. to 1,575,000 h.p., or by 209,000 h.p.

The current year will see the Hydro system's surplus reserves of unused power increased still further while contracts already signed will bring in enormous totals of new power within the next few years.

It is to be hoped that the Hydro officials have soundly and accurately measured their potential market but hopes are not enough and the provincial government would be justified in engaging the services of an independent group of engineers and economists to make a survey of the probable demand for power in Ontario over the term of the next generation, but particularly over the first half of that period, to see whether or not there are any indications of financial trouble ahead for the Hydro system.

From the standpoint of the investor, the matter is of importance because of the large totals of Ontario and municipal bonds outstanding and because a surplus of power in Ontario is likely to react unfavorably against the securities of power companies.

## POLITICS IN BUSINESS

THE Western Producer, organ of the Socialists in Saskatchewan, discussing some of our comments on public ownership, asks:

"Has The Financial Post forgotten the political lobbying of the Mackenzie and Mann interests while the railway was under their control? Has The Post forgotten how these gentlemen and their agents hovered over and around parliament each session, and how they winged their flight away time after time with financial food for another twelve months? Were these things to be laid at the door of public ownership? or will The Post admit that 'political pressure' was as evident under private ownership as it ever was after the railway came under government ownership and control?"

We have not forgotten the "political pressure" exerted by private promoters in the case of our railways, of Beauharnois and other similar developments that eventually landed back, in whole or in part, on the taxpayers. But we fail to see how proving the wickedness of politicians in their relations with greedy promoters proves the merit of politicians in their relation to public ownership.

When the primary aim of any group is to achieve their aims by political pressure rather than by business-like methods, the result is bound to be costly to the public whether it is private or public ownership that is involved.

Next to public ownership as a menace to the purses of the taxpayers of Canada one would be safe in ranking politically-promoted contractor's rackets that can establish themselves only by obtaining favors from governments. Most of them end up as public ownership enterprises. A large proportion of the publicly-owned propositions in Canada started out without any assurance of commercial success but with the definite idea in the minds of the promoters that if they were not commercial successes a kindly government somewhere could be induced to take them over.

President Hoover's committee on Recent Social Trends in the United States gives as one of the phenomena leading to higher governmental costs the unloading of unsuccessful enterprises on public bodies.

Newspapers which preach the virtues of public ownership are the best allies the political grafters have. They pave the way for such exploitation of the public.

## EDITORIAL NOTES

**Despite** the newest monetary proposal from the United States we feel that electric current will always be more useful than electric currency.

* * *

**Those people** who talk about this being a "different" world should remember the old French expression that the more it changes the more it remains the same thing.

* * *

**Scientists** have discovered that this continent is 63 feet nearer the British Isles than it used to be. We were certain that the Imperial Conference would bring Britain and Canada closer together.

* * *

A colorful American banker, an adventuresome one, steps from the scene as Albert H. Wiggin retires from the chairmanship of the Chase National of New York. Winthrop W. Aldrich who succeeds him was a lawyer three years ago. Now he heads the continent's largest bank. He is a brother-in-law of John D. Rockefeller, largest stockholder of the bank. He is likely to be much more conservative than Mr. Wiggin.

# POST-scripts

STRANGE as it may seem and believe it or not, salesmen continue to make out reports on their various calls and sales managers continue to read them and file them to come up again.

We are unable to confirm but have it on good authority that most of them read like this: "Had a wonderful interview: didn't get any business but think there will be something doing here when business takes a turn."

One salesman down in Hamilton got a little tired of penning the same thing on every report. One day recently he scribbled the briefest notes about each of his eleven calls on a single slip of paper and then wound up this way:

"No orders. No complaints. No business."

THE public hears so much about the tribulations of famous authors in their encounters with Hollywood that it is apt to overlook the trials which some eminent writers afford producers of screen plays. Maeterlinck, it is said, was invited to Hollywood and agreed for a substantial fee to write a scenario. After weeks of work the script was finished. The company gave a magnificent banquet in honor of the author to celebrate completion of his work and to wish him farewell. Great were the laudations of the famous Maeterlink. Afterward some one asked a director if the scenario had been produced. "Lord, no," was the reply, "Nor is it likely that it ever will be. The hero of the play is a bee."

SOONER or later a movie producer will base a film on the drama of Samuel Insull. But it is a tragedy worthy of a greater medium—nothing less than a 150,000 word novel or an intense stage drama.

The poor immigrant boy from London comes to the United States to make his fortune: he builds up a vast commercial Empire and becomes a financial power; then he over-reaches himself; struggles desperately, and with not too much regard for the ethics and principles he has preached all his life, to save himself from the rushing tide of a world economic collapse; he fails and sees his Empire fall in ruins about him. As the mantle is torn off him he hears the tread of many feet. To evade the vengeful mob he flees.

Now in the classic beauty of Ancient Greece he is safe from investors, policemen and newspaper reporters. But he is a man without a country. Never again will he see his native land; nor the land he conquered.

It almost makes us weep to think of George Bancroft or Walter Huston playing such a rôle on the silver screen.

NEARLY all of us have taken part in limerick contests at some time or other. This is a story of how not to run such a competition.

A large advertiser made a prize offer for the best limericks written by his customers, and as a result received hundreds of letters from aspiring rhymsters. A none too business-like member of the advertising staff was delegated to sort out the wheat of this harvest from the chaff, in order that the wheat might be graded subsequently and prizes awarded.

The journalist in charge of the grading procured four large wire waste paper baskets, placed distinguishing numbers on them, and started to read over the rhymes of the contestants and sort them out into classes, good, fair, poor and hopeless. At the end of a day of this occupation, he had finished his pile of letters and had them sorted into the four waste paper baskets. Seeing that this result was good to look upon, he felt that he had done a good day's work and went home, leaving the waste paper baskets with their contents standing on his desk.

When our hero returned to work in the morning, lo and behold the baskets were where he had left them the night before, but they were empty! An industrious charwoman had disposed of the limericks, good, bad and indifferent, with the rest of the office waste paper.

Fortunately for some of the contestants, it was possible to recover all the precious limericks by unparcelling five bales of waste paper and reading over every scrap of it. The editor of the limerick contest was also appointed editor of the baled waste paper.

# The World at Large

## An Occasional Department Discussing World Economic Affairs That Affect Canada

By F. S. C.

### JAPS AT IT AGAIN

THE new Japanese offensive at Shanhaikwan marks the advance of the Imperial troops beyond the Chinese Wall and entirely outside of the geographical limits of Manchukuo, the "independent" state established by Japan in the traditional home of the mighty Manchus. Of course, the Japanese are able to offer a moderately convincing reason for their immediate action. With China still torn by political warfare and no single government in control, there are plenty of things happening every day to give the Japs all the immediate causes for righteous indignation that they need. But beyond the significance of the day to day events lies the definite Japanese policy of aggression on the mainland, a carefully planned economic war that defies Leagues, treaties, and some principles of international right but that proceeds unmolested because the Chinese have not the political unity or military power to resist and because the other Powers throughout the world are too occupied with their own concerns to do anything about it.

* * *

THE situation is quite without precedent in modern times and the international wiseacres may indeed shake their heads and say that the whole system of post-war security, of which the League of Nations is the central prop, is being put to the test. The Japanese have violated important post-war treaties and the other signatories to the treaties have either remained quiet or have protested mildly. The United States has definitely declined to admit any semblance of justice in the Japanese aggression and has stated that it will recognize none of the territorial gains made by Japan and will not recognize Manchukuo as an independent state under Japanese influence. But a note from Secretary of State Stimson to Foreign Relations Chairman Borah of the Senate stating this can not do much more than bring an ironical smile to the victory drunk generals of Tokyo. The United States is bound by its own signature to these treaties to do more than protest but it can not and will not do so because it is not hunting for a war at the present time.

The League of Nations knows that Japan has defied its very principles but the League has refused yet to pass in the form of a resolution its adherence to the findings of the Lytton Commission, its own creation, which was politely firm in interpretation of the Japanese policy as one of unjustified military aggression.

Great Britain, one of whose distinguished sons headed that commission, has not gone as far as the United States in protesting against Japanese policy. As for Canada, one of the great Pacific powers, (if our rôle be measured by any reasonable yardstick), our citizens are hopelessly divided in their sympathies and our government is not known even to have studied the problem very carefully, much less made up its mind as to whether it has any policy beyond that of doing what Britain does. a policy that might conceivably turn out to be maternally and Imperially loyal but economically suicidal.

* * *

THE respective attitudes of the Japanese and the Chinese were rather well and succinctly put by two recent visitors to Canada, one a distinguished Jap and the other an equally well-informed and reasonable Chinese.

Said the Jap: "It is essential for our future that we overflow on to the mainland and if China and the world powers are reasonable we can do so without upsetting the peace of the world and with great benefit in an economic sense to the world at large. We set no boundaries to our territorial ambitions as we can not set any boundaries to our economic necessities in the future."

Said the Chinese: "In the life of China a few years are nothing. We think and act in terms of centuries. Today the victory is to the Japanese. We can not resist because we are in the transition period between the old Empire and the new Republic. We are not a nation and can not fight back. But we are a race and as a race we shall eventually conquer. A thousand years from now there will be no Japanese; there will be only the Chinese and we shall have absorbed the whole Japanese race of people."

# In the Mail

### "Back To The Land"

Editor, The Financial Post,

With the continuance of the business depression, and the mounting figures of unemployment, is it not time that this situation in Canada, was boldly and courageously handled?

Many of our foremost men have, from time to time, stressed the "Back to the land" movement as the only sure way out of our present difficulties.

Canada, and particularly Western Canada, is in an excellent position to avail herself of the benefits which would accrue from closer settlement, as many thousands of acres of land can now be purchased very cheaply from farmers and others who have surplus acreage.

A closer settlement scheme will involve:

1. The acquisition of land in areas already settled.

2. The erection of a house and outbuildings on each quarter section purchased, and the equipment of each farm with necessary implements and livestock.

These fully equipped farms would be sold under long term agreements say 15 or 20 years, the agreements would carry interest at say 5 per cent, and the average cost should not exceed $3,000.

Twenty thousand families could be placed on these farms each year for the next few years, and this, together with the impetus to all classes of business such settlement would give, would speedily end unemployment.

In this connection, let us carefully consider the following points:

1. Closer settlement of lands already under cultivation, lowers the quantity of produce available for market, thus tending to raise prices, and in this way works to the benefit of those already engaged in farming.

2. When there is a surplus of agricultural products, new areas should not be opened up for settlement, as this makes conditions worse for those already engaged in farming, by adding to the surplus produce available for market.

3. The money paid to the farmers for acquisition of land for closer settlement will assist them in readjusting their affairs, and will be used to pay bank loans, mortgage loans, grocery, hardware and other bills. In this law considerable assistance will indirectly be given to all those having dealings with the farmers, and to whom the farmers are now indebted.

4. The building and equipment of new farm homes for the settlers will provide a stimulus to business that is badly needed.

5. Applications for purchase of these farms will not be confined to people who are unemployed. The best and most capable applicants will be selected, the only preference being to married men with families. In actual operation many of the better types of citizens will be selected, and their jobs in the towns or cities will be filled from among those unemployed.

6. All the money expended by the government in buying the land and equipping homes for settlers will be paid back by the purchasers in terms of signed agreements. Not one penny spent need be lost, and useful and gainful occupation is made possible for all.

Honesty in administration and right measures for proper direction and supervision of the settlers will greatly contribute to the success of this plan.

Surely, here is our opportunity, to turn an economic adversity into an overwhelming victory in the cause of sound progress.

R. E. SAYCE, C.A.

Moose Jaw,
Jan. 6, 1933.

### Not In Politics

Editor, The Financial Post,

The newly elected board of directors of The United Farmers Co-operative Co. Ltd., held their first meeting recently, and again declared unanimously by the following resolution their point of view on the business of the Co-operative Company, viz:

"THAT the United Farmers Co-operative Co. Limited has never been, is not, and never expects to be identified with any political activities, either provincial or federal; it is essentially a commercial enterprise aiming to serve farmers of all shades of political thought."

I would appreciate if you would give this prominence in your paper to correct any possible misunderstanding which may have been taken from the reports of our last annual meeting and other press comments.

H. B. CLEMES,
General Manager.

Toronto.

### Paying for Schooling

Editor The Financial Post,

I read, with interest, the article entitled "Heavy school costs can be cut deeply" which appeared in your issue of the 19th inst.

In Canada there are two classes of parents; those who are prepared to and do take the responsibility of paying for their children's education and those who are satisfied to "sponge" on the enforced charity of the harrassed taxpayer. In the latter class are the poor who are unable to assume their responsibilities and a large number of those who can well afford to undertake the cost of their children's education.

The parents of the first class, in addition to paying private school fees and extras ranging from $300 to $1,000 per annum per child, are compelled to pay school taxes to cover the high cost of education of the children of the parents falling in class two.

I have lived in various cities in Canada and have observed with disgust the many parents of substantial financial means who depend on the taxpayers to pay for their children's education. The cost of education will never be reduced until those who can afford to bear their responsibilities are forced to do so.

In my opinion parents who have sufficient income to pay income tax should be compelled to pay a reasonable sum, say $200 per annum, for each of their children who attend the public and secondary schools, in addition to the ordinary school taxes. Those parents who do not wish to take advantage of the public and secondary schools under these conditions may send their children to private schools at a considerably greater cost.

Personally, I have always sent my children to private schools and at the present time my income is not sufficient to qualify me for the payment of income tax. I, therefore, see no reason why I should be called upon to pay school taxes to cover the cost of an elaborate education for the children of parents who are much better able than I to shoulder their responsibilities.

With regard to the dilatory pupils, "repeaters" and laggards referred to in your article, I suggest that all pupils who show themselves unable, either through incapacity or through laziness, to benefit from the instruction should be taught trades and be placed as apprentices with master-tradesmen, all pupil-apprentices to remain under the supervision and control of the educational authorities until they arrive at the legal age for leaving school.

I am all in favor of giving those children of poor parents who show themselves capable of absorbing knowledge every advantage at the expense of the taxpayer, but I strongly object to "paying through the nose" for the purpose of trying to make the "sows ears" of the well-to-do into "silk purses."

Anti-Sponging.

Port Hope, Ont.

# "Stop Me If You Have Heard This One"

The circus was doing badly and funds sank lower and lower. At last the cashier pinned up a notice announcing that in future salaries would be paid as funds permitted, and that artists would be paid in the alphabetical order of names.

Next day Zero, the strong man, called on the cashier.

"I have come," he said, "to tell you that I have changed my name."

"Oh!" replied the cashier. "And what are you going to call yourself now?"

"Achilles."

# Other People's Views

### Limit to Taxation

Nor'West Farmer. — Municipal bodies or other tax-gathering institutions should have their ears to the ground close enough to know "how much the traffic will bear." Many municipalities have realized the danger of carrying tax collecting to the point of leaving the taxpayer and his family destitute.

### Precept and Practice

Welland-Pt. Colborne Tribune. — Governments have a peculiar faculty for preaching one thing and practising another. If we could install governments completely imbued with the necessity of serving humanity as a whole instead of themselves or favored groups most of the trouble would be eliminated. But since human nature is as it is the prospect is that we are likely to go on hoping for ideals that never will be realized.

### Raising False Hopes

Winnipeg Tribune.—The provincial premiers and wheat pool leaders may perhaps think they are serving the interests of the farmers when they advocate the establishment of a national wheat marketing board to handle the sale of the entire wheat crop. Actually they are doing the farmers a disservice. because they raise false hopes in their hearts. They are in effect telling the farmers that conditions would be much better, and a higher wheat price available, if only the marketing agency was of the proper character; that the trouble is not over-production but to a large degree the failure of the present marketing system to function efficiently.

This is nonsense, of course.

### British Milling Attitude

Northwestern Miller.—It is difficult for Canadian millers to understand the agitation which is still going on in England for exclusion of Dominion flour from the United Kingdom markets. The amount of flour involved is comparatively negligible and as a matter of fact is considerably lower in volume than at any time in years. No part of the flour now being imported from Canada is being dumped nor are Canadian prices by any means as low relatively as those being quoted in competition by British millers. As a matter of fact home millers' prices are generally shillings below any quoted from Canada. For these and other reasons it cannot be protection in any rational sense of the term that the English millers are seeking. They have that now in superabundance. Not only are they enjoying the natural advantages of proximity to their markets, but they have in addition the benefit of a considerable discrimination against flour in ocean shipping rates to which must be added a further advantage in Canada rail rates to the Atlantic seaboard.

Accordingly, the motive for these attempts to exclude Canadian mills from a trade they have enjoyed for so many years must be sought elsewhere. It probably lies in a desire to raise the general level of flour prices to consumers in the United Kingdom. With a completely sheltered market British millers would undoubtedly do just that, and thereby increase still further the handsome profits already being made by them. Theoretically, protection has its uses in a world as tariff mad as that in which we are now living, but given a free rein its beneficiaries know no bounds.

Calm judgment suggests that the British millers who are agitating for the destruction of the last remaining dregs of their country's importing flour trade may be preparing the means of their own destruction. The intemperance of their demands for further opportunity to exploit the British consumer must be apparent even to the most unsophisticated of those who are molding the new British protectiv policies.

### Simplicity Itself

Border Cities Star: Mr. Woodsworth, leader of the so-called Commonwealth Co-operative Federation, knows how to stop the depression. A great many persons have tried to figure out a method, but all have failed. Now Mr. Woodsworth steps forward with the remedy.

It is surprisingly simple, after all. The wonder of it is that some one had not thought of it before. What is the plan? Merely that the manufacturers of Canada shall "double wages and start a boom."

The only thing that remains now is for Mr. Woodsworth to tell the manufacturers where they are going to get the money to pay these doubled wages.

### Ontario's Finances

The Globe, Toronto: The financial position of the Province of Ontario is not a matter for partisan tug-and-tussle, or mere negative criticism. According to the admission of the Treasury itself, the point of diminishing returns already has been reached in some tax-fields. It is futile to consider further increases in particular imposts, because the net effect of such increases is lower total receipts to the province.

Surely the time has come to cut to the bone the whole bureaucracy of Provincial Government. Capital expenditures of a nature to necessitate increased carrying charges should be abandoned.

Favorable Bond Investments

A return for many years, at rates considerably above those usually considered attractive may now be secured by investors in carefully selected bonds.

Investment suggestions gladly made on request. Address our nearest office.

A. E. AMES & CO.
LIMITED
Business Established 1889
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Dominion of Canada
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The Government of the Dominion is unconditionally bound to make semi-annual payments sufficient to pay principal and interest on these bonds when due.

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CANADIAN INVESTMENT FUND, Ltd.
PRICE: About $3 per share (subject)

Your investment banker or broker will furnish particulars on this company.

CALVIN BULLOCK, Ltd.

The Provincial Bank of Canada

Condensed Statement, November 30th, 1932

ASSETS

| | | |
|---|---|---|
| Cash and due from Banks | $ 4,974,666.06 | |
| Government, Municipal, and other high grade Securities | 16,758,074.29 | |
| Call Loans | 4,738,597.64 | |
| Circulation Fund | 197,600.00 | |
| Immediately Available Assets | | $ 26,668,937.99 |
| Loans & Discounts | | 17,164,177.96 |
| Bank Premises, Real Estate and Mortgages, etc. | | 3,143,205.40 |
| Liabilities of Customers under Letters of Credit, as per contra | | 14,820.36 |
| Other Assets | | 210,129.52 |
| | | $ 47,201,271.23 |

LIABILITIES

| | | |
|---|---|---|
| Capital | $ 4,000,000.00 | |
| Reserve Fund | 1,500,000.00 | |
| Dividends Declared | 84,945.05 | |
| Balance of Profit & Loss Account, brought forward from previous year | 369,920.31 | |
| | | $ 5,954,865.36 |
| Deposits (Savings, Current, Correspondent Banks, etc.) | | 36,114,205.11 |
| Advances under the Finance Act | | 1,800,000.00 |
| Notes in Circulation | | 3,316,853.50 |
| Letters of Credit outstanding | | 14,820.36 |
| Other Liabilities | | 526.90 |
| | | $ 47,201,271.23 |

# The Week in Business

### Surplus Commodity Stocks Show Decline

### Carloadings Weak at Year End

WORLD stocks of commodities showed some diminution during 1932, according to statistics compiled by the United States Department of Commerce. In a group of eight leading commodities, four closed the year with lower stocks than at the end of 1931, three were practically unchanged and only one added materially to available supplies.

The latest index of stocks of coffee, that for May, 1932, shows that this commodity continues to pile up. On the base of 1923-25 equals 100, the adjusted index number was 487, a drop from the 547 recorded in February but the all-time high point for May. Coffee stocks have been steadily piling up during the past six years, the 1932 average being four times the average for 1927.

Stocks of silk, which reached a high point in June, 1932, showed a welcome decrease toward the end of the year, the October index of 186 being the lowest figure for the past two years and comparable with a figure of 221 in October, 1931. Although the carryover into 1932 was the largest ever recorded, sugar stocks dropped considerably, the September figure being 17 per cent less than in the same month of 1931.

* * *

WHEAT in store throughout the world reached a high point of 631,600,000 bushels in January, 1932, but since that time this has been somewhat decreased. In May, 1932, the adjusted index reached a new high mark, slightly above the May, 1931, figure, but by August, 1932, the index had fallen to the lowest point of any similar month since 1928, only to rise again slightly to the same level as in the autumn of 1931 after the crop of the northern hemisphere was harvested.

Tin and rubber remain near the high levels attained during 1931, there being nearly 650,000 long tons of rubber visible in May, 1932, compared with a normal figure of about 250,000 tons. While stocks of tin have not piled up in the past three years in the same proportions as many other commodities, 1932 reports place world stocks about 25 per cent above normal, much the same as in 1931. In both tin and rubber, however, it seems evident that while little has been done to work off the large available surplus, 1932 has seen little addition to the pile.

* * *

CARLOADING statistics for the last week in December, issued this week, disclose the lowest weekly total in many years; loadings for the year were 15.6 per cent below 1931. Boots and shoes made in November numbered 1,361,334 pairs, 9 per cent greater than November, 1931. Wholesale prices dropped from 64.8 in November to 64.0 in December, influenced mainly by lower grain prices. Petroleum imports in November down 10 per cent in volume from the same month of 1931. November coal output amounted to 1,263,467 tons, almost 18 per cent below the five year average for the month.

## Canadian Business Indicators

Compiled by The Financial Post

| | Weekly Latest 1932 | 1931 | Cumulative Jan. 1 to date 1932 | 1931 |
|---|---|---|---|---|
| **Transportation—** | | | | |
| Car loadings (Dec. 31) | 25,071 | 30,950 | 2,173,087 | 2,575,011 |
| C.P.R. gross earn. (Dec. 31) $ | 2,776,000 $ | 3,306,000 $ | 123,813,000 $ | 147,241,000 |
| C.N.R. gross earn. (Dec. 21) $ | 2,352,723 $ | 3,119,430 $ | 140,480,587 $ | 173,182,535 |
| | Monthly | | | |
| C.P.R. net earn. (Nov.) $ | 3,324,291 $ | 4,565,374 $ | 17,779,235 $ | 21,834,204 |
| C.N.R. net earn. (Nov.) $ | 1,038,581 $ | 2,084,481 $ | 10,164,170 $ | 7,491,999 |
| **Iron and Steel—** | | | | |
| Pig iron, tons (Nov.) | 14,149 | 14,292 | 117,099 | 406,176 |
| Steel, tons (Nov.) | 37,088 | 26,387 | 312,033 | 650,118 |
| Automobiles prod., No. (Nov.) | 2,204 | 1,247 | 58,677 | 80,182 |
| Automobile exports, No. (Nov.) | 1,486 | 480 | 11,890 | 14,236 |
| **Construction—** | | | | |
| Building permits (Nov.) $ | 2,505,309 $ | 7,282,117 $ | 37,922,575 $ | 104,327,739 |
| Contracts (December) $ | 4,190,000 $ | 11,257,300 $ | 132,872,400 $ | 315,482,000 |
| **Newsprint—** | | | | |
| Production, tons (Nov.) | 161,334 | 175,643 | 1,770,424 | 2,052,625 |
| Exports, tons (Nov.) | 153,568 | 171,151 | 1,639,765 | 1,846,403 |
| **Sugar—** | | | | |
| Imports, raw, lbs. (Nov.) | 28,055,200 | 70,656,900 | 652,424,500 | 752,021,400 |
| Melt & ship, lbs.* | 78,707,156 | 85,076,861 | 816,652,149 | 857,878,736 |
| Manufactured, lbs.* | 115,873,720 | 121,790,544 | 772,487,907 | 796,099,583 |
| **Flour—** | | | | |
| Production, bbls. (Nov.) | 1,942,844 | 1,812,457 | 13,455,365 | 15,498,215 |
| Wheat flour exp bbls. (Nov.) | 576,864 | 476,487 | 4,639,758 | 5,245,914 |
| **Other Industrial Indices—** | | | | |
| Lumbering: Plank & board exports, mill ft. (Nov.) | 46.37 | 68.18 | 636.58 | 881.08 |
| Boots and shoes, pr. (Nov.) | 1,361,334 | 1,254,696 | 16,901,154 | 16,544,082 |
| Petroleum, imp. crude, gal. (November) | 51,710,000 | 93,140,000 | 857,087,119 | 955,553,901 |
| Cotton, imp. raw, lbs. (November) | 15,376,000 | 15,451,000 | 88,537,000 | 88,374,000 |
| Rubber, raw, imp., lbs. (Nov.) | 3,568,000 | 2,761,000 | 44,745,961 | 51,089,185 |
| Coal, imports, tons (Nov.) | 1,508,202 | 1,414,082 | 10,779,792 | 12,506,644 |
| Gasoline sales, gals. (Aug.) | 61,518,000 | 63,434,822 | 526,249,000 | 560,909,322 |
| **Trade—** | | | | |
| Imports (November) $ | 37,769,060 $ | 46,911,012 $ | 423,653,058 $ | 587,808,591 |
| Exports (November) $ | 45,944,520 $ | 57,415,251 $ | 451,300,542 $ | 552,080,527 |
| Wheat exports, bus. (Nov.) | 27,301,976 | 27,458,264 | 200,484,756 | 172,569,637 |
| **Labor—** | | | | |
| Employment Index (Nov.) | 84.7 | 103.0 | | ...... |
| **Electric Power—Output—** | | | | |
| M. Kilowatt hours (Nov.) | 1,447,857 | 1,415,020 | 14,445,123 | 14,951,256 |
| **Finance—** | | | | |
| Failures, No. (Oct.) | 199 | 226 | 1,807 | 1,941 |
| Failures, Liabilities (Oct.) $ | 3,439,000 $ | 12,878,396 $ | 34,401,000 $ | 45,260,019 |
| Bank debits† (Nov.) $ | 2,466,300 $ | 2,841,333 $ | 26,960,866 $ | 28,948,345 |
| Bond sales (Nov.) $ | 1,093,500 $ | 221,223,833 $ | [illegible] $ | [illegible]127,237 |
| Insurance sales (Nov.) $ | 34,003,000 $ | 38,860,000 $ | [illegible] $ | [illegible]149,000 |
| **Automobile Financing:** | | | | |
| Used cars (Nov.) $ | 796,043 $ | 1,165,841 $ | 12,484,266 $ | 20,068,684 |
| News cars (Nov.) $ | 538,264 $ | 980,252 $ | 12,264,957 $ | 20,045,666 |

*Four weeks' period, Nov. 12 to Dec. 3.
†(000's omitted).

Government and Municipal Bonds

Bought - Sold - Quoted

*List of offerings, with recommendations and information furnished on request.*

Royal Securities Corporation
Limited

244 St. James Street
MONTREAL

330 Bay Street
TORONTO 2

*Offices in all Provinces*

# Business Conditions in Canada

## Gold Output Alone Gains in 1932 Compared with 1931

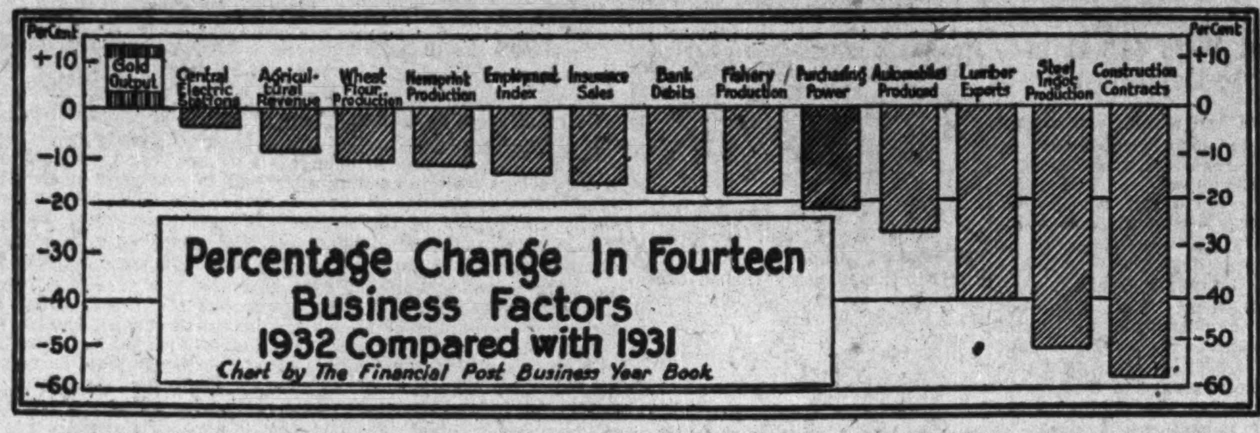

Chart by The Financial Post Business Year Book

Estimates made by The Financial Post Business Year Book of production and revenue of factors bearing on business in 1932 show that gold stands alone in showing improvement over 1931. Central electric station output, with a drop of only 3 per cent, makes the best showing of those factors which were lower than in 1931, while agricultural revenue is fairly well maintained despite lower prices for all farm produce. At the other end of the scale, construction contracts show a loss of 58 per cent from 1931, while steel ingot production is more than cut in half. The Business Year Book estimate of purchasing power maintains a half-way position with a drop of 21.5 per cent.

## BRISK GRAIN TRADE IN AUTUMN MONTHS HELPS LOADINGS

### Carloadings Drop 15 Per Cent in 1932 — Coke Loadings Increase

Canada's strong position in the world wheat export market during the closing months of 1932 and the consequent increased loadings of this commodity was one of the few factors which helped maintain 1932 car loadings in vicinity of the 1931 totals. Even with grain loadings almost equal to those of the previous year, the loadings fell 15.6 per cent from 1931 under the influence of much lower totals for forest products, ore and miscellaneous.

Eastern Canada loadings were the chief factor in the decline with a drop in total of 20 per cent from 1931 compared with only 6.6 in the Western Division. The importance of pulpwood and pulp and paper loadings in the Eastern Division and the 30 per cent drop in miscellaneous loadings were the chief causes of this decline while higher grain and coal loadings in the Western Division helped maintain its total closer to the 1931 figure.

Pulpwood loadings dropped nearly 41 per cent from 1931, the largest percentage decrease, while the most important group, merchandise L.C.L., decreased only 12.3 per cent. The following table shows comparative figures for 1932 and 1931, analyzed by groups, showing the percentage change in each case.

Carloadings of Revenue Freight in Canada

| | 1932 | 1931 | % Change |
|---|---|---|---|
| Grain, grain products | 381,835 | 383,119 | — .3 |
| Livestock | 70,265 | 79,625 | —11.8 |
| Coal | 255,442 | 265,735 | — 3.9 |
| Coke | 26,778 | 26,452 | + 1.2 |
| Lumber | 58,564 | 94,228 | —37.8 |
| Pulpwood | 43,461 | 73,588 | —40.9 |
| Pulp & paper | 71,690 | 94,559 | —24.2 |
| Other forest products | 78,326 | 89,748 | —12.7 |
| Ore | 40,771 | 55,302 | —26.3 |
| Merchandise, L.C.L. | 676,984 | 771,602 | —12.3 |
| Miscellaneous | 468,971 | 641,053 | —26.9 |
| | 2,173,087 | 2,575,011 | —15.6 |

In 1932, for the first time, coal movement jumped into second place in individual commodities over lumber products. The slump in this latter group has been the largest of any; three years ago lumber products generally topped the 400,000 car mark while in 1932 they totalled 252,000.

Only in September did the weekly figure for total cars loaded rise above the figure for the corresponding week of 1931

## Canada's Trade With U.K. Gains at Expense of U.S.A.

### Britain Captured 20.6 Per Cent of Canadian Imports in 8 Months to November, 1932, Compared With 17.7 Per Cent in 1931

Imports from the United Kingdom have increased greatly during the past year at the expense of the United States, trade figures issued by the external trade branch of the Dominion Bureau of Statistics reveal, on analysis by The Financial Post. During the eight months ended November, 1932, the United Kingdom's share of Canada's imports was 20.6 per cent and that of the United States 56.9 per cent compared with 17.7 per cent and 60.6 per cent respectively in the same period of 1931.

For November, the proportions are even more striking. During November, 1932, Britain was responsible for 25.8 per cent of all imports and the United States for 50 per cent while, in November, 1931, Britain did only 18.6 per cent of the business and the United States 55.6 per cent.

While new treaties effected at the Ottawa Imperial Conference are responsible for at least a portion of these increases in the United Kingdom's share of the trade, leaders of certain domestic industries feel that a large proportion of the increase is due to the depreciated value of the pound sterling. This depreciated currency, they argue, has allowed the United Kingdom to compete in the Canadian market not only at the expense of the United States manufacturer but at the expense of the Canadian manufacturer as well.

While this condition of increased imports from the United Kingdom at the expense of the United States is evident in nearly all the main groups, it is particularly noticeable in the non-metallic minerals, and chemicals groups where imports from United Kingdom have a larger dollar value in 1932 than in 1931 despite a decrease in the totals from all countries. In the iron and its products group, imports from U. K. have dropped only 3.0 per cent, while imports from the United States have fallen nearly 50 per cent.

The following table shows imports from the United Kingdom classified by main groups and the proportion which these imports bear to total imports in the group.

Imports From U.K. By Main Groups
(Eight Months Ended November)

| | 1932 $ | 1931 $ | % of total Imports 1932 | 1931 |
|---|---|---|---|---|
| Agric. & veg. prod. | 10,806,000 | 18,628,000 | 17.5 | 20.8 |
| Animals & products | 1,648,000 | 1,758,000 | 14.8 | 9.8 |
| Fibres, textiles | 16,778,000 | 20,187,000 | 40.0 | 35.8 |
| Wood & products | 2,520,000 | 2,840,000 | 17.3 | 12.3 |
| Iron & products | 9,551,000 | 9,882,000 | 22.2 | 13.7 |
| Non-ferrous metals | 2,608,000 | 3,208,000 | 19.3 | 12.9 |
| Non-metallic minerals | 10,324,000 | 8,559,000 | 15.2 | 11.7 |
| Chemicals | 3,844,000 | 2,760,000 | 17.2 | 12.9 |
| Misc. | 3,659,000 | 5,003,000 | 15.8 | 15.4 |
| | 61,242,000 | 72,800,000 | 20.6 | 17.7 |

## TRADE ACTIVITY IN BORDER CITIES LITTLE CHANGED

### Unemployment on Par With 1932; New Plants Help

By Staff Editor

WINDSOR.—Business conditions in Windsor and the neighboring border cities of Canada will not be changed materially during the present winter in comparison with the early months, at least as far as the unemployment situation is concerned, in the opinion of officials of the Border Cities Chamber of Commerce.

In the winter of 1932 unemployment reached a peak of about 26,000 in January in which month the highest level of unemployment usually occurs. In October, 1932, the total unemployed reported to the Chamber of Commerce was 24,659, and it is understood that this indicates that a peak will probably be reached in January, 1933, of about the same as last year, namely 26,000 in a population of about 110,000.

**Motor Plants Active**

Activity in the motor industry is expected to be at least on a par with that of 1932, and as this is the largest manufacturing industry in the district any improvement will be decidedly helpful in bettering general business conditions. According to information gathered by The Financial Post, there is not likely to be any radical change in conditions of other smaller industries in the border cities during the early months of 1933, but their trade is considered likely to continue on about the same scale as in 1932, at least during the winter. There was more than normal activity among distillers and brewers in the border cities territory in November and December, in preparation for the usual Christmas rush for their products, but this has fallen off since.

One factor that may be a large one in improving business activity and aiding employment in the border cities in the future is the acquisition of new industries in the district, largely on account of alterations in the tariff following the Ottawa Imperial Conference. As could be noted in the weekly New Industries column in The Financial Post, there was a steady migration of United States branch plants to Canada in 1932. The result of this movement as far as Windsor and the border cities are concerned was the location of some 30 new industries in the district in 1932, chiefly from the United States.

**Seven Auto Plants**

Of this number, seven new establishments were made by the automotive industry, The Essex Wire Corp. of Detroit, manufacturing insulated copper wire, located in Windsor; the Long Manufacturing Co. of Detroit, manufacturing automobile hardware, located in East Windsor; the Wel-Ever Piston Ring Co. of Toledo, manufacturing piston rings, located in Windsor; the Panyard Roto Cam Piston Packing Co., manufacturing piston rings, located in Windsor; the Border Enamelling Co. located in Walkerville; the Superior Piston Ring Co., manufacturing piston rings, located in Walkerville, and the Defiance Spark Plugs, Ltd., of Toledo, manufacturing spark plugs, located in Windsor.

In addition, the Barnes Scale Co. of Detroit, manufacturing scales, became established in Windsor in January, 1932. The McColl-Frontenac Oil Co. established a storage plant in East Windsor which has meant much in the way of increased local facilities. The Airway Ltd., of Toledo, Ohio, manufacturing vacuum cleaners, established in Windsor. The British tariff changes enacted this year are said to have been direct favors in inducing this firm to establish a Canadian branch.

**Sundry New Plants**

The Hamlin Engraving Co., of Cleveland, Ohio, secured a location in Windsor for the operation of an embossing and engraving plant. The Ohio Truss Co., of Cincinnati, Ohio, established in Windsor for the manufacture of trusses, abdominal supports, elastic hosiery, etc. The Peerless Dairy, Ltd., established and equipped a plant in Windsor for the operation of a dairy and ice cream plant. No-Runs of Canada, Ltd., of Detroit, has opened a branch in Windsor for the manufacture of "No-Run" compound, a preparation for the prevention of runs in hosiery. The Kleen-Zall Co. is manufacturing a washing compound in Windsor.

Five developments in the drug industry, an active line in the border cities, took place in 1932. John Wyeth and Bros., of Philadelphia, opened a plant in Walkerville in the former Dominion Paint Works, for the production of drug products. Oxzyn, Inc., of New York City, manufacturing cosmetics, established also in Walkerville. The Hemafil Co., Ltd. has become established in conjunction with the C. E. Jamieson Co. Ltd., in Walkerville, and is manufacturing patent medicine. The Windsor Chemical Co., Ltd., manufacturing pharmaceuticals, medicines, etc., located in Windsor, and the Vick Chemical Co., of Philadelphia, became established in conjunction with the Sterling Products, Ltd., of Windsor, for the manufacture of a patent cold remedy.

**Merged Industries**

Several establishments were made in co-operation with already existent industries. The Gerber Products Co., of Fremont, Ohio, became established in amalgamation with the Fine Foods of Canada, Ltd., at Tecumseh, for the manufacture of strained vegetables for children. The Reed Air Filter Co., of Louisville, Kentucky, established in arrangement with the Cunningham Sheet Metal Works, of Walkerville, for the manufacture of air filter equipment. The Rev Prescription Co., of Chicago, completed arrangements during the year for the mixing and distribution of its medicine in the Border Cities.

Three companies have been established in arrangement with the Truscon Steel Company of Canada, Limited, at Walkerville. The Truscon Laboratories, of Detroit, manufacturing paints; the Timken Silent Automatic of Canada, Ltd., manufacturing oil burners, and the Ever-Hot Heater Co. of Detroit, manufacturing heaters, are all in operation at the Walkerville plant of the Truscon Steel Co. of Canada.

In addition to the foregoing firms, three companies have actually commenced operations during the present year, of which announcements had previously been made, as follows: Armand, Ltd., formerly of St. Thomas, Ont., manufacturing cosmetics, which has established in East Windsor; the A. S. Boyle Co., of Cincinnati, Ohio, manufacturing floor wax, established in Walkerville; and the Simrall Refining Co., of Cincinnati, located at Amherstburg.

## Three Months' Work for Algoma Steel Mill

Three months' work on a single shift is predicted for the rail mill of the Algoma Steel Corporation at Sault Ste. Marie, which commenced operations on December 19 after being closed for some time. It is understood that orders on hand total 65,000 tons. The merchant mills are at present closed until sufficient orders have accumulated to warrant reopening.

The policy of the company is to fill orders from stock until inventories are depleted to an extent which requires replenishing and then to run the merchant mills for a short period, it is stated. This has not been necessary, as far as the merchant mills are concerned, since September, 1932.

## Business Briefs

**St. Catharines** reports the following manufacturing activity: Textiles still fair, 88 per cent of 1931; steel and iron at a low ebb, 50 per cent of 1931, 20-25 per cent of normal; some seasonable improvement expected in firms manufacturing motor supplies between now and April 30, 1933.

**Lethbridge Beet Growers** received a payment of $175,000 on Dec. 20, bringing the total received for this year's crop to $675,000. This revenue is stated to be in excess of that received from wheat raising in the district.

**Sea Fisheries**, in the first ten months of 1932, accounted for landings of approximately 6,404,000 cwts., approximately 1,200,000 cwts. less than in the same period of 1931, according to an unrevised estimate of the Dominion Department of Fisheries.

**Car Loadings** for the week ended December 31, 1932, totalled 25,071 cars, as against 31,763 cars in the previous week and the corrected index dropped from 55.08 to 54.68. Light grain loadings in the west and light coal and merchandise loadings in both divisions were chiefly responsible.

**Canadian Wheat Stocks** in Canada and the United States for the week ended December 30, 1932, increased 1,648,910 bu. over the previous week to 237,753,299 bu. At the corresponding week of 1931, stocks amounted to 192,305,007 bu.

**Wheat Exports** during the week ended Dec. 30, 1932, amounted to 3,588,092 bu. compared with 3,264,491 bu. in the same week a year previous. Vancouver and the United States Atlantic ports shared the total, the 1,749,000 bu. exported through the United States being the largest total for any week this crop year.

**Boot and Shoe Production** in November amounted to 1,361,334 pairs, an increase over November, 1931, of 106,638 pairs. For the first eleven months of 1932 production amounted to 16,901,154 pairs, compared with 16,544,082 pairs in the same period of 1931.

## New Industries and Plant Extensions in Canada

Compiled Weekly
By The Financial Post

**Avalon Fabrics of Canada Limited** has been formed to manufacture plushes, etc., in Stratford, Ont. Arrangements have been made to occupy the premises known as the Automatic Products Limited and it is expected that the company will employ between 25 and 30 men.

**Cheney Chemicals, Limited**, Toronto, have completed arrangements to manufacture in Canada the products of the Champion Company of Springfield, Ohio, makers of funeral directors' supplies and sundries.

**Iron Fireman Manufacturing Co.** of Canada Limited, manufacturers of automatic coal stokers, announces expansion of its Toronto plant. The company, a subsidiary of a United States concern, established in Toronto in June, 1931.

## Britain Has Major Share of Canada's Anthracite Imports

Coal imports into Canada declined 9.7 per cent to 1,508,202 tons from the November, 1927-1931 average of 1,670,947 tons. Anthracite coal imports totalled 342,989 tons, made up of 197,696 tons from Great Britain, 126,027 tons from the United States, and 19,266 tons from Germany. From May to November Canada's anthracite requirements were drawn from the following sources: the United States, 42.5 per cent; Great Britain, 55.5 per cent; and Germany 2.0 per cent.

Importations of bituminous coal in November included 1,047,474 tons from the United States and 117,411 tons from Great Britain. Lignite coal imports during the month consisted of 27 tons brought into Manitoba and 301 tons into British Columbia.

## SLACKNESS EVIDENT IN WHOLESALE TRADE

### Only Grocers Report Activity—Collections Generally Poor

The weekly trade report of Canadian Credit Men's Trust Association for the week ending January 7, 1933, is as follows:

**Halifax.**—Manufacturers of hosiery and underwear report mills busy. Wholesale trade in general quiet although some improvement in demand for dry goods noticeable. Retail business remains dull. The price of potatoes has increased substantially and farmers are also receiving better returns from butter and eggs. Apple shipments show a large decline from last season. Fishing industry reports trade fair with European markets for dried fish somewhat stronger. Canned lobsters moving slowly. Lumber trade dull and collieries working at less than half time. Collections slow.

**Saint John.**—Wholesale trade during past week reported slack. Retail trade generally quiet. Collections fair.

**Montreal.** — Wholesale groceries continue fairly active. Other lines very quiet. Both city and country retail merchants report a quiet week's trading. Wholesale and retail collections poor.

**Toronto.**—General outlook reported as not unfavorable as stocks have been kept at a reasonably low point both by wholesalers and retailers. Carryover after the Christmas season very low, but unfortunately continued mild weather during the past week retarded seasonal sales. No improvement can be recorded in any lines over last report. Collections fair to slow.

**Winnipeg.**—Manufacturing reported quiet. Wholesale groceries continue fairly active, with very little change reported in other lines. Retail trade generally quiet and lower sale prices required to create better trading. Collections both city and country, fair.

**Regina.** — Wholesale groceries reported fair; dry goods fair to slow; hardware quiet. Retail trade report week's trading, both city and country, as very quiet and colder weather prevailing did not improve conditions. Wholesale collections fair. Retail—city fair, country slow.

**Moose Jaw.** — Wholesalers report groceries good; boots and shoes quiet. Wholesale and retail hardware fair. General dry goods fair. Collections fairly good.

**Saskatoon.** — Wholesale groceries remain with very little change over previous week; dry goods fair; hardware fair to good, not up to last year's volume. Boots and shoes very quiet; oils and greases rather slow. City retail trade report conditions very quiet compared to previous week, but is usual dull season. Collections fair.

**Calgary.**—Past week's business in both wholesale and retail lines reported just fair, and volume in most commodities continues to be of disappointing nature. Collections—very little being paid on old past dues; current accounts being taken care of quite promptly.

**Edmonton.**—Wholesalers and retailers report business for past week as very quiet. Collections only being made under pressure.

**Vancouver.**—Wholesale and retail trade, generally speaking, report business for past week as very slow, being usual quiet season following Christmas purchasing. Collections fair to slow.

## Commodity Prices

Commodity Prices at Wholesale‡
(N. Y. unless otherwise stated)

| | Week ending Jan. 7 | Previous week | Same week last yr. |
|---|---|---|---|
| Cattle (cwt.) (Toronto) | $4.25 | $4.60 | $6.75 |
| Copper, lb. | .05 | .05 | .07¼ |
| Cotton, lb. | .0625 | .0610 | .0655 |
| Rubber, lb. | .0320 | .0321 | .0460 |
| Silk, lb. | 1.52½ | 1.52½ | 1.85 |
| Sugar, raw, lb. | .0280 | .0278 | .0317 |
| Wheat (Man.) bu. | .45⅞ | .41¾ | .61¼ |
| Hides, lb. | .05½ | .05½ | .07½ |
| Coffee, lb. | .08½ | .08½ | .07¼ |
| **Weekly Indices *** | | | |
| N. Y. Annalyst | 83.7 | 84.3 | 94.9 |
| Fisher's | 57.4 | 57.6 | †72.6 |
| N. Y. Journal of Comm. | 55.6 | 55.4 | 61.8 |
| Crumps (Brit.) | 61.5 | 61.4 | †64.9 |

*N. Y. Annalyst base, 1913, others, 1926.
†Average 1931.

Monthly Indices

| | Latest | Prev. month | Same month last year |
|---|---|---|---|
| Canada (D.B.S.) w'sale (Dec.) | 64.0 | 64.8 | 70.6 |
| Retail (Nov.) | 80.4 | 80.4 | 86.6 |
| U. S. Labor (Nov.) | 63.9 | 64.4 | 70.2 |
| Gt. Brit. (Nov.) | 68.2 | 68.2 | 71.8 |

‡Basis of price quotations is as follows: cattle—steers, good, over 1,050 lbs., top price, Toronto; copper—electrolytic, New York; cotton—middling upland, New York; rubber—smoked sheets, spot closing, New York; silk—Japanese, 13-15, New York; sugar—96 degree centrifugal c/f. New York; wheat—No. 1 Man. North., Ft. W.-Pt. A. basis; hides—heavy native steers; coffee—Rio, No. 7, spot, New York.

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## LEGAL ACTION STILL PENDING IN CALGARY CASE

### Large Bondholders in U.S. May Take Joint Action to Get Exchange

### IS PRECEDENT

### Other Municipalities Follow Developments — Bank Extends Calgary Some Credit

The action by the City of Calgary in tendering Canadian funds in payment of obligations due in New York on January 1 in United States funds has not as yet brought out legal action by bondholders who lose to the extent of the discount on the Canadian dollar in New York, while the city saves $300,000. Bondholders, however, are accepting payment in Canadian funds under protest and it appears probable that institutional investors in the United States may bring legal action against the city. Joint action may be taken by several bondholders of this class.

Since the wording of the Calgary debentures in question is quite specific and legal authorities state that the city is definitely liable for payment in United States funds, the action taken by bondholders is being closely watched by other municipalities, particularly in western Canada, which have bonds payable in United States funds. In many cases the specifications of terms of payment are obscure as compared with the Calgary bonds.

On Canadian government and provincial bond issues there are some 19 different ways in which bond interest and principal are paid and other variations are to be found among Canadian municipal issues. In the majority of cases the wording on the bonds is quite clear while in others, various interpretations can be taken. This is more true of issues sold prior to the war than of issues sold in the past few years.

Saskatoon had considered paying interest due Jan. 1 on a $900,000 issue in Canadian funds rather than in United States funds but finally paid in New York funds. In taking this action the city council did not admit any liability on the part of the city to make payment in New York funds and decided that a definite ruling would be sought from the courts with respect to the city's liability before the July 1 payment comes due.

Some municipalities in Western Canada still have a portion of their bonds payable in sterling which at present rates enables a saving on exchange which goes far in offsetting loss on New York exchange. Calgary, however, had but $543,000 of sterling bonds of a gross debenture debt of $29,796,316 at December 31, 1931.

Calgary, at the present time has over $26,000,000 of debentures outstanding of which $9,354,393 is payable in sterling or Canadian funds at the holder's option. The city's obligation, both principal and interest, on the latter issues will be paid in Canadian funds. The city has $723,000 of debentures, due in 1937 and 1938, which are payable in sterling only. The city benefits to a small extent in the favorable exchange on interest payments on these issues.

Faced with loss of credit due to repudiation of its obligations to pay interest in New York funds on certain of its debenture debt, Calgary has been faced with the problem of financing the city's operations until taxes are due. Prepaid taxes amounted to $575,000 in 1932 and the rate of prepayments so far this year has been ahead of 1932 as citizens came to the aid of the city. Refused additional credit by the Bank of Montreal when the default occurred, the city has since been able to arrange temporary credits from the bank which already is carrying the city for a substantial amount, part of which was used to retire bonds maturing January 1.

The attitude of Mayor Davidson, of Calgary, on the action taken by the city is summarized as follows:

"The time has come, in our opinion for a final showdown in this matter (payment of adverse exchange rates by Canadian municipalities). When the city of Calgary, in common with other municipalities, made arrangements to pay in alternative currencies and in alternative places of payment, the Dominion of Canada was by statute obliged to redeem dominion notes in gold. Sinking funds have been accumulated by the city of Calgary in accordance with the contract with the bondholders, in Canadian funds and the city of Calgary was ready to meet 100 per cent of its sinking fund obligations in Canadian funds.

"If the dominion government for national reasons has decided, as it apparently has, to remain on some kind of a gold standard, to repudiate its statutory obligations and to deny to the municipalities of Canada the right to obtain gold at par, then it seems to me there is upon the dominion government a definite obligation to see that isolated municipalities whose citizens are bearing at the present moment unprecedented and intolerable burdens should not be expected to carry any further burden by reason of the money policy of the Dominion government.

"We are not criticizing the wisdom of the federal government's currency policy. We do maintain, however, that this policy should be enforced to the prejudice of any particular class of taxpayers."

## B. C. Pulp & Paper Keep Two Mills Open

From Our Own Correspondent

VANCOUVER—Both mills of the B. C. Pulp & Paper Company continue in operation, although when they were re-opened a few weeks ago executives of the company contemplated an early shutdown. Since then, however, market conditions have been strong enough to warrant continued operation and business already on hand is sufficient to keep the plants going until late in February anyway, with the prospect of new orders being large enough to carry them over till spring or later.

The woodfibre mill was re-opened with the intention of operating for about a month and a half. It has been actually running three months. The Port Alice mill has been running about two months, although it had been anticipated that a month or six weeks would clean up the business then on hand.

Mr. Killam says that the chief obstacle to expansion of the pulp business at this time is the hesitancy of buyers everywhere to place orders in advance.

The Orient is still regarded as one of the most promising fields for the British Columbia pulp manufacturer.

## Caution Keynote of 1933 Forecasts

### Keen Appreciation of Own and World Problems Seen in New Year Statements of Business Leaders

Entering the fourth year of a world-wide depression of extreme severity, with few, if any, indices showing that a definite upturn has taken place, it is to be expected that the 1933 crop of New Year statements by leaders in industrial, agricultural, business and financial fields should have conservatism as their keynote. Yet, despite this evident unwillingness to make any definite statement regarding the future, there is a note of optimism which runs through all of these statements that have appeared in the press of the Dominion, which cannot be entirely suppressed.

Probably on no previous occasion have business leaders had such a keen appreciation of the factors which bear on their respective enterprises and there is considerable unanimity of view as to what are the main obstacles to recovery. Almost without exception the viewpoint is expressed that 1932 was a year of reorganization and if one can judge by the published statements of executives, business is now in a position to immediately capitalize on improvement when such improvement is brought about.

#### Reduce Debts

Reduction of public debt by means of present and future economy in provincial and Dominion government is stressed by all those who mention this subject, while the same idea is expressed by those who are more concerned with their individual industry in their outcry against taxation which has risen rather than fallen with the downward trend in prices.

Financial critics are unanimous that steps must be taken—and the end accomplished—to raise wholesale prices before any measure of stability can be achieved but none is so bold to offer more than a suggestion as to how this is to be accomplished. It is generally felt, however, that some steps must be taken to liberate the tremendous volume of world trade which has been lost since 1929 through depreciated currencies, high tariffs and unwillingness to make commitments, before business can break the bonds which imprison it.

#### Ottawa Conference Important

The Ottawa Imperial Conference is mentioned by many of those whose statements have appeared, the majority agreeing that it was the most important event of the year as far as Canada and the British Empire are concerned. Paul Bilkey, editor-in-chief of The Gazette, Montreal, writes in the 1932 Commercial and Financial Review of that publication: "By far the most outstanding event of the year as a forerunner of new commercial relations was the Imperial Economic Conference...It is still too early to attempt an estimate of the work of this conference in terms of mutual trade advantages . . . Nevertheless there is no difficulty in finding an answer to the question as to whether or not the conference was a success. As a conference it was a very distinct success."

J. A. McLeod, president of the Canadian Bankers' Association and general manager of the Bank of Nova Scotia, brings forward seeming proof that the back of the depression bogey has at least been partially broken. In optimistic vein, yet tinged with caution, Mr. McLeod writes:

"It is well to add that in the development of this index (the rate of turnover of bank deposits), since May and June, 1932, there have been distinct signs of hopefulness. The rate of turnover of bank deposits was greater in July than in either of the two previous months, greater again in August than in July, greater again in September than in August. We have at present, unfortunately, no figures later than those of last September.

"There is still a great deal of lost ground to be regained. It is inevitable that we shall meet with severe difficulties in the winter before us. We have not as yet reached the point at which we can say that conditions are returning to normal. Nevertheless, the more hopeful feeling which was evident in business during the past summer was a constructive factor not to be disregarded. It was a welcome and important reaction from the panic conditions of the previous twelve months, from June, 1931, to June, 1932."

#### Statements Summarized

Summaries of the statements of a number of important executives follow:

**E. W. Beatty, K.C.**, chairman and president, Canadian Pacific Railway—"The railway situation retains place as Canada's most imperative domestic problem......If the railways are to live anywhere within their incomes during the next ten or fifteen years, economies will have to go very much further indeed than has yet been considered by a great number of our people......Business institutions and individuals have been forced to reorganize their affairs until they have brought them to a position where anything in the nature of a recovery in business volume would be handled with directness, economy and efficiency ......I have a lively hope that even now the turn has come and forces which are not fully evident are working toward a general business improvement."

**Hon. H. H. Stevens**, Minister of Trade and Commerce—"It is high time that the world generally, and governments particularly, should begin to live within their means, cease going into debt, and see to it that, as far as possible, every dollar that they expend shall be productively employed ......It is a matter of vital importance that the International Economic Conference should succeed in its mission of restoring world prices and the volume of international trade."

**S. J. Hungerford**, acting president Canadian National Railways—"When the general upturn comes about the C.N.R. will quickly show, in increased net earnings and income, its resiliency and its power of recovery."

**R. S. McLaughlin**, president, General Motors of Canada—"If every manufacturer would manage to make a little more hand work it would go a long way to solving the whole problem (unemployment)....We in General Motors of Canada are trying to use more hand labor in our present operations than we would have used for the same volume of output a year or two ago."

**W. C. Coulter**, president, Canadian Manufacturers' Association—"A most important step in the progress to recovery was taken by the countries of the British Empire at the Imperial Conference."

**Ross H. McMaster**, president, The Steel Company of Canada—"Never in the world's history has the interdependence of different nations and different classes been more evident than in recent times . . . Progress has been made and further developments will be possible when once the intricate questions of war debts and reparations meet with a satisfactory conclusion."

**Arthur B. Purvis**, president and managing director, Canadian Industries Limited — "The outstanding political event of the past year was the Imperial Economic Conference held at Ottawa, which was of importance not only to the countries of the Empire, but to every country engaged in international commerce. While it is true that the world's greatest economic crisis had a considerable influence on the course of the Ottawa discussions, the conference should not be regarded in the light of a depression remedy, but rather as a gathering to formulate broad principles of Empire economic policy; in short, the economic crisis hastened the progress, but was not the cause, of the policy adopted. Such an Empire stocktaking had long been foreshadowed by many economists as essential under postwar conditions governing international trade."

**C. O. Stillman**, president, Imperial Oil, Limited—"That provincial treasuries should be collecting from five to seven cents upon every gallon sold is a fact which contrasts strikingly with the net profit of 1.01 cents per gallon earned by the refiner."

**C. H. G. Short**, honorary president, Canadian National Millers' Association—"A rehabilitation of the industry would come from the moment that all mills were in agreement not to merchandise their products at any time except at a profit......Failing the recognition of this cardinal principle, there would appear to be no alternative solution, other than a survival of the fittest, than a bringing together of the various entities into one central corporate and financial control."

**D. C. Durland**, president, Canadian General Electric Co.—"The recent completion of new power plants and the diminished demand for electric power has created a considerable surplus which will suspend for an indefinite period the construction of new power development projects. Past experience shows, however, that existing power reserves will be utilized quite early in the turn of the cycle toward normal economic conditions."

#### United States Opinion

New York financial editors in their year-end surveys, while naturally inclined to dwell more on their domestic difficulties, all stress the necessity of reducing international debts in some manner, an article in the Journal of Commerce going so far as to state that these debts are the major impediment in the way of business recovery.

In regard to their domestic situation, all are wary of forecasts but agree that a large section of industry has set its house in order and if this section is strong enough to withstand the effect of the impact of the remaining readjustments, 1933 should see a gradual rise to normal. The large volume of private (as opposed to governmental) debt in the country will act as a restraint to any business revival until it is drastically scaled down, it is stated.

## Vancouver District Gains in Shipping

From Our Own Correspondent

VANCOUVER—This port has concluded its most active and prosperous year since 1928.

Grain moving through Vancouver last year exceeded the 1931 grain business by 1,000,000 tons, or 34,000,000 bushels Grain was the mainstay of the port's business.

Lumber, flour and canned salmon, usually large factors in the port's volume of trade, declined somewhat. Total exports of these and other commodities, apart from grain, suffered a loss of 150,000 tons as compared with 1931.

Tremendous growth made by the sister port of New Westminster, twelve miles from Vancouver, was accomplished partly at this city's expense. Metal and fruit, which used to go through Vancouver almost exclusively, were largely transferred to the Fraser River port last year. Taking the two ports as a single exporting unit, the year's export business of all kinds shows this record:

| | Vanc. | New. West. | Total |
|---|---|---|---|
| 1932 exports, tons | 3,732,394 | 450,000 | 4,182,394 |
| 1931 exports, tons | 2,849,775 | 420,544 | 3,170,319 |

## Consumers Glass Covers Bond Interest in 1932

From Our Own Correspondent

MONTREAL — Sales of Consumers Glass Co. during 1932 are reported to have been on a slightly lower basis than in the previous year but earnings have been sufficient to cover fixed charges. Public investment interest in the company is confined to an issue of $1,270,500 of 5 per cent first mortgage bonds.

In addition to the bonds there is outstanding $500,000 of 7 per cent preferred and 24,257 shares of common stock but these two classes of stock are closely held. Controlling interest is held by Frank P. Jones and associates.

The company does not make public its financial statement.

## Bank of Montreal Syndicate Secure Quebec Bond Issue

From Our Own Correspondent

MONTREAL.—A syndicate headed by the Bank of Montreal was successful in bidding for the new $9,000,000 issue of 4½ per cent non-callable bonds of the Province of Quebec. The bid was 97.119. These bonds are payable in Canadian funds and the proceeds will be used to reimburse the Consolidated Fund on account of capital expenditures.

## Coast Province Fights Central Tax Collections

From Our Own Correspondent

VANCOUVER — This province intends to make a strong fight against any movement looking to the sole collection of income taxes by the federal government. In this effort British Columbia will seek the co-operation of the other western provinces when the interprovincial conference is held this month.

## CENTRAL CANADA LIQUID POSITION WELL MAINTAINED

### Earned $10.60 Share Compared With $13.41 in 1931; Deposits Up

First of the annual statements of trust and loan companies to be sent to shareholders, the statement of Central Canada Loan & Savings Co. shows net profit of $264,937 in the year ended December 31, 1932, or $10.60 per share, which compares with $335,359 or $13.41 per share in 1931, $392,634 in 1930 and $453,151 in 1929. Dividends paid on the $2,500,000 of capital stock amounted to 10½ per cent in 1932, or $262,500, leaving a surplus carried forward of $139,116.

Liabilities to the public on account of debentures is down to $1,367,542 from $1,734,638 shown in 1931 while deposits have increased to $4,833,940 from $4,712,540 despite substantial withdrawals for the purchase of federal, provincial and municipal bonds which sold during 1932 at prices giving higher than average yields. Quick assets, consisting of cash, government and municipal bonds and demand loans amount to over 76.5 per cent of the total savings deposits with the company.

#### Cash is Higher

Assets total $11,003,098 as compared with $11,308,857 in 1931. Cash is up to $913,139 from $740,211; holdings of bonds and stocks are but slightly lower at $7,982,533 but loans on bonds and stocks are down to $304,554 from $807,708. Investment in mortgages is carried at $1,532,800 as against $1,553,426 in 1931 while real estate to the value of $20,072 is held for sale. Office premises are carried at $200,000. Reserve fund remains at $2,100,000, 84 per cent of the company's paid-up capital of $2,500,000. The annual meeting of the company will be held January 18.

Earnings Record

| Year | Paid-up Capital $ | Net Profits $ | Earned % | Div. Rate |
|---|---|---|---|---|
| 1927 ... | 1,750,000 | 463,809 | 26.5 | 12+6 |
| 1928 ... | 2,500,000 | 390,687 | 15.6 | 12+8 |
| 1929 ... | 2,500,000 | 423,150 | 18.1 | 12+3 |
| 1930 ... | 2,500,000 | 392,634 | 15.7 | 12+3 |
| 1931 ... | 2,500,000 | 335,359 | 13.4 | 12+2 |
| 1932 ... | 2,500,000 | 264,937 | 10.6 | 10½ |

## Midget Cars to Be Shown at Montreal

Midget cars are still an innovation in Canadian motoring though they have been more than popular for many years in England. The latest comer to the baby car field in Canada is the new M. G. "safety fast" midget which is to be exhibited at the Montreal Motor Show. The car is manufactured by the M. G. Car Co. at Abingdon-on-Thames, England, and sales in Canada are being handled by Empire Sports Car, Ltd., Montreal.

Cars on show include the sports two seater; perhaps the most striking model in the M. G. line. Low slung and with rakish lines, the car has been built for speed; on the dashboard is an indicator which not only records speed and mileage but engine revolutions as well. Other models are the saloonette; the saloon de luxe, the sports four seater and the sliding roof foursome. The latter is featured by a roof which slides back, leaving ingress for sun and air.

## Dominion Store Sales in 1932 Are 10 p.c. Down

Sales by Dominion Stores Ltd. in the five weeks of December are reported at $2,164,825 as compared with $2,419,680 in the corresponding period of 1931. Decrease in sales was $112,375 or 6.23 per cent. Sales for the year ended December 31, 1932, amounted to $23,041,552, 10.13 per cent under 1931 sales of $25,638,125.

Fiscal year of the company ends on December 31 and the annual statement is released in February. In 1931 the company earned $1.85 per share on the 282,382 shares outstanding, of which 95 cents was earned in the first half of the year. In the first half of 1932, the company earned 80 cents per share.

## CANADA DRY SALES WELL MAINTAINED GAINING IN HOMES

### Dividend Reduced to Dollar Basis Because of 1932 Cool Summer

Reduction of dividend rate on the common stock of Canada Dry Ginger Ale from a basis of $1.20 per annum to $1 per annum with the payment of 25 cents per share on January 16 next does not mean that prospects of the company for the present year are worse than for last year. Last year the company earned 84 cents a share and paid $1.20. The payment on January 16 is the first payment of the year which began October 1, 1932, and does not stifle the hope that possibly earnings may be higher than the 84 cents a share shown last year. Payment is in United States funds and, therefore, means more to Canadian shareholders than otherwise it would.

In a recent conversation with P. D. Saylor, chairman of the board, president and general manager, the latter told The Financial Post that he was confident concerning the outlook. September sales, he pointed out, were ahead of September in 1931. October also showed an improvement and was ahead of September as well. November, 1932, was lower than sales of November, 1931, but ahead of October and December gave a good account of itself.

Though earnings for the year ending September 30, 1932, were not what had been expected at the beginning of the last quarter of the year, it is nevertheless encouraging that such earnings had been made in the worst summer season from the weather viewpoint experienced for many years by the company.

Canada Dry is regarded as more than holding its own in its field and gets by far the largest percentage of available business. There has been considerable loss in hotels and clubs because travel is lighter than a few years ago and not so many parties are held. Household business has been gaining steadily, however, and this is regarded as the best foundation for improvement.

The policy of the company is understood to be based on the idea that it is important to it to keep people in the habit of drinking ginger ale. In order to maintain and continue growth, the quality of product and advertisement of it have been kept up.

## FEDERAL TRUCK'S NEW BODY LINES AID APPEARANCE

### 1½ to 4 Ton Types in 1933 Line Give Variety

Federal Trucks in 1933 will have an improved appearance over previous models by reason of changes in body design more in keeping with streamlining tendencies in the passenger car section of the automotive industry. The new effect is obtained with a slanting V-type radiator, wide sweeping fenders, long streamlined hood and generous use of chromium plate.

The 1½-ton model is available with four- and 6-cylinder engines in the following wheelbases: 130 in., 142 in., 154 in. and 166 in. The four-cylinder power plant develops 50 horsepower; the six-cylinder engine develops 64 horsepower at 2,500 r.p.m.

#### Balloon Tires

Standard tires are 6 x 20 in. balloons front and 32 x 6 high pressure rears. The chassis weighs 3,225 lbs.

Two other models of the new series carry pay-load ratings of 2½- to 3-ton and 3½- to 4-ton, with gross ratings of 15,000 and 18,000 pounds respectively.

These models are powered by heavy duty six-cylinder truck engines. The one used in the 2½- to 3-ton vehicle develops 72 horsepower at 2,500 r.p.m., that used in the 3½- to 4-tonner develops 84 horsepower at 2,400 r.p.m.

#### Heavy Clutches

These new Federals have heavy-duty truck type single plate clutches, 12 in. clutch on the 2½- to 3-ton model and 13 in. clutch on the 3½- to 4-tonner. The 5-speed transmission, with silent 4th speed, covers a broad range of requirements in power and speed.

Service brakes are hydraulic, 4-wheel fully enclosed type actuated by vacuum booster. Emergency brake is single shoe, ventilated disc type.

Tires on the 2½- to 3-ton Federal are 8¼ x 20 in., mounted on 20 x 7 in. cast spoke type wheels. On the 3½- to 4-ton Federal, tires are 9 x 20 in. mounted on 20 x 8 in. cast spoke type wheels.

## Reports Indicate Increase In 1932 Air Traffic

That there was an increase in air travel in 1932 compared with 1931 despite depressed business conditions is indicated by reports issued recently by St. Hubert airport, Montreal, and by Canadian Colonial Airways, Limited.

The St. Hubert report records gains in the number of planes, passengers, baggage and express, with only a slight decrease in the amount of mail carried compared with 1931. The following figures show the amount of international traffic only and do not record the number of planes arriving from and leaving for other points in Canada.

Inward Traffic

| | 1932 | 1931 |
|---|---|---|
| Planes ............ | 545 | 544 |
| Passengers ............ | 764 | 403 |
| Baggage (pieces) ...... | 929 | 462 |
| Pounds of mail ...... | 72,421 | 109,394 |
| Express (pieces) ...... | 1,840 | 117 |

Outward Traffic

| | 1932 | 1931 |
|---|---|---|
| Planes ............ | 534 | 524 |
| Passengers ............ | 984 | 629 |
| Baggage (pieces) ...... | 1,235 | 758 |
| Pounds of mail ...... | 49,992 | 15,737 |
| Express (pieces) ...... | 13 | 6 |

Canadian Colonial Airways' report shows an advance of 69 per cent over the previous year in the number of passengers carried and one of 210 per cent in the amount of mail flown to Albany and New York from Montreal during the year. Nearly 50,000 pounds of mail were carried in 1932 compared with 15,775 pounds in 1931 and passengers number 649 compared with 383 in the previous year.

## NEW WILLYS 77 IS "TEAR DROP" AT LOW PRICE

### 70 m.p.h. Top Speed; Low Fuel Use Claimed

Willys 77 is the low-priced model in this company's line for 1933. This new car is streamlined from end to end with spare tire wells built into the back of the bodies. A downward curve of the hood, head lamps built into the fenders and the general design of the front of the car give the nearest approach to a "tear drop" yet seen in North American built cars. It has an over all length of 156 in.

The power plant in this car has four cylinders, developing 48 h.p., and is said to give a top speed of 70 m.p.h. The manufacturers claim that it will give over 30 miles to a gallon of gasoline. The price of the 77 is stated by the makers to be the lowest in the company's history, which means that it will be one of the least costly cars to be sold in Canada in 1933.

#### Floating Power

The floating power principle is used in mounting the engine on a trunion of rubber immediately under the water pump in front, and at the rear on a second rubber trunion below and to the left of the transmission case. At the right of the engine a third rubber mounting is provided, termed a torque arm, which receives and cushions the rotative tendency of the engine.

These cars have all-steel bodies, adjustable front seats, concealed fuel tank, glove compartment on instrument panel, down draft carburetor, hydraulic shock eliminators, steel centered safety steering wheel, non-glare windshield, hood ventilating louvers and cable and conduit type four-wheel brakes.

## W'SALE PRICE DROP CONTINUES IN DEC.

### Iron and Steel and Non-Metallic Minerals Alone Gain

Preliminary index number for wholesale prices for December was 64.0 compared with 64.8 in the previous month, according to the Dominion Bureau of Statistics. Quotations for 49 products were higher, 111 were lower, while 342 remained unchanged.

Lower prices for all grains and flour forced the vegetable products group to take the largest drop, from 52.8 to 50.2. Higher prices for some types of steel plates was sufficient to move the iron and its products index slightly higher and non-metallic minerals and products showed a slight gain on higher prices for imported coal and sulphur.

The following table shows the changes in December from the previous month and also the comparative figures for December, 1931:

Index Numbers of Wholesale Prices in Canada

| Group | 1932 Dec. | 1932 Nov. | 1931 Dec. |
|---|---|---|---|
| Vegetable ....... | 50.2 | 52.8 | 55.6 |
| Animal ......... | 57.2 | 57.5 | 66.3 |
| Fibres, textiles ... | 68.6 | 68.6 | 71.8 |
| Wood & paper ... | 64.0 | 64.6 | 77.4 |
| Iron & steel ..... | 86.2 | 86.0 | 87.3 |
| Non-ferrous metals | 57.5 | 58.2 | 66.3 |
| Non-metal. min. | 86.1 | 85.7 | 88.3 |
| Chemicals ....... | 83.6 | 83.9 | 85.3 |
| Comp. index ... | 64.0 | 64.8 | 70.3 |

## NOTICES

### The Dominion Bank

Notice is hereby given that the Annual General Meeting of the Shareholders will be held at the Head Office of the Bank in Toronto on Wednesday, 25th January, 1933, at twelve o'clock noon.

By Order of the Board.

C. A. BOGERT,
General Manager.

Toronto, 15th December, 1932.

## DIVIDEND NOTICES

DIVIDEND NUMBER 236

### Hollinger Consolidated Gold Mines, Limited

A regular dividend of 1% has been declared on the Capital Stock of the Company, payable on the 28th day of January, 1933, on which date cheques will be mailed to shareholders of record at the close of business on the 13th day of January, 1933.

Dated the 6th day of January, 1933.

I. McIVOR,
Assistant-Treasurer.

### Buywell Food Markets Limited

Preferred Dividend Notice

Notice is hereby given that a dividend of one and three-quarters per cent (1¾%) has been declared on the Seven per cent (7%) Preferred Stock of the Company for the quarter ending December 17th, 1932, payable January 16th, 1933, to shareholders on record at the close of business on January 10th, 1933.

By order of the Board.

W. A. STANFORD, Secretary.
Montreal, January 5th, 1933.

### Montreal Tramways Company

DIVIDEND NOTICE

NOTICE is hereby given that a dividend of Two Dollars and Twenty-five cents ($2.25) per share, for the quarter ending December 31st, 1932, has been declared upon the paid in Capital Stock of the Company, to shareholders of record on Thursday, the 5th day of January, 1933, at 4 o'clock p.m. and payable on Saturday the 14th day of January, 1933.

By order of the Board,

PATRICK DUBEE,
Secretary-Treasurer.

December 28th, 1932.

### PENMANS LIMITED

Dividend Notice

NOTICE is hereby given that the following Dividends have been declared for the quarter ending the 31st day of January, 1933.

On the Preferred Stock, one and one-half per cent. (1½%), payable on the 1st day of February to Shareholders of record of the 21st day of January, 1933.

On the Common Stock, Seventy-five Cents (75c.) per share, payable on the 15th day of February to Shareholders of record of the 6th day of February, 1933.

By Order of the Board.

C. B. Robinson,
Secretary-Treasurer.

Montreal,
December 29, 1932.

## Metal Prices

New York—
Copper: Electrolytic spot, 5c. lb.
London—
(Long Ton)—
Copper: Electrolytic spot, £33 15s; future £34 5s.
Standard spot, £28 15s; future, £29 2s 6d
Tin: Spot, £145 15s; future, £146 7s 6d.
Lead: Spot, £10 5s; future, £10 12s 6d.
Zinc: Spot, £14 12s 6d; future, £14 17s 6d.
Silver: 16¾d. per ounce.

NEW ISSUE

$9,000,000

Province of Quebec

4½%
(Non-Callable)

Thirty-Year Sinking Fund Bonds

Dated January 2, 1933 Due January 2, 1963.

*Principal and half-yearly interest (January 2 and July 2) payable in lawful money of Canada at the principal offices of the Bank of Montreal and Banque Canadienne Nationale, in the cities of Montreal and Quebec and at the principal office of the Bank of Montreal in the city of Toronto. Coupon bonds in the demoninations of $1,000, $500, and $100, with provision for registration as to principal.*

*Legal Opinion: Messrs, Meredith, Holden, Heward & Holden.*

These bonds are a direct obligation of the Province of Quebec and are a charge as to principal and interest upon the Consolidated Revenue Fund of the Province. The bonds are being issued to reimburse the Consolidated Revenue Fund for advances made on capital expenditures.

A Sinking Fund will be established sufficient to redeem the entire issue at maturity.

Information regarding the financial position of the Province will be found in the official circular which is available upon request.

*We offer these bonds if, as and when issued and accepted by us, subject to the approval of Counsel.*

*It is expected that bonds in interim form will be availgble for delivery on or about January 23, 1933.*

PRICE: 98.50 and accrued interest, to yield about 4.60%

Bank of Montreal
Banque Canadienne Nationale
The National City Company Limited
Harris, Forbes & Company Limited
Royal Securities Corporation Limited
Hanson Bros. Incorporated
McTaggart, Hannaford, Birks & Gordon, Limited
Ernest Savard, Limitée
L. G. Beaubien & Co. Limited
McLeod, Young, Weir & Co. Limited
F. W. Kerr & Co.
Nesbitt, Thomson & Company Limited
Fry, Mills, Spence & Co., Limited
René-T. Leclerc Incorporated
Mead & Co. Limited
Harrison & Company, Limited
Collier, Norris & Henderson Limited
Bell, Gouinlock & Co. Limited

January 10, 1933.

*The statements contained herein are based upon information furnished by the Government of the Province of Quebec.*

# Your Investments

Letters from subscribers to The Financial Post, who desire information bearing on their Canadian investments, will be answered by an early mail, and questions of general interest will be answered on this page. We cannot extend this service to non-subscribers nor do we answer enquiries relating to American stocks or foreign securities generally. A three-cent stamp or stamped envelope must be enclosed. Write mining and insurance enquiries on sheets separate from other investment enquiries. No answers can be given by telephone or telegram. We do not select lists of securities but will supply current facts about securities in a list you may supply. Nor do we attempt to make any forecasts of the probable trend of any security. The service, in other words, is one of fact and not of opinion.

## Burns & Co.

A client of ours holds a substantial block of Burns & Co. 5 per cent first mortgage bonds, due 1948. He has been out of the country for the last year and is in doubt as to the present standing of these bonds. Would you be kind enough to furnish us with the latest bid price and some particulars regarding the issue?

Burns & Co. barely earned bond interest in 1930 before provision for depreciation and earnings took a further drop in 1931 with the result that the company showed a loss of $531,124 after providing for depreciation to the extent of $297,219 and paying bank interest amounting to $133,630 and bond interest of $375,977. The reduced purchasing power in the West where the company operates and the continuous decline of commodity prices were major factors in the poor showing of the company.

The company was unable to meet full sinking fund charges due January 1, 1932, and a meeting of bondholders was held in Toronto on May 26, at which it was agreed that the company would be relieved from payment of bond interest due June 1 and December 1, 1932, and June 1, 1933, as well as the balance of sinking fund payment due January 1, and the entire sinking fund payment due January 1, 1933. These payments were postponed until December 1, 1933. The bondholders' committee was appointed and consists of E. G. Long, K.C., Toronto; Colonel A. M. Brown, Vancouver; J. E. Fortin, Toronto; A. E. Pequegnat, Waterloo, and H. N. Bewden, Toronto. This committee is representative of large institutional investors who hold the Burns bonds. The secretary of the committee is D. F. Wilson with office at 15 King Street West, Toronto.

The Protective Committee has been closely in touch with operations of the company during the present year and in November issued a statement which indicated that sales in 1932 have been under those of 1931 chiefly due to drop in commodity prices. The company has sold a number of its retail meat markets located in British Columbia. There is a nominal market of 18 to 20 on the Burns 5½ per cent Series "A" first mortgage bonds of 1948, but there have been no recent transactions in this issue.

## Gordon Arms

I hold a 7 per cent bond of the Gordon Arms Ltd. on which interest has not been paid for some time. What is the status of this issue? Cannot the bondholders take action?

In January, 1931, we were informed by Mr. Gordon that there were only about $23,000 of seven per cent ten-year sinking fund redeemable gold bonds of the Gordon Arms, outstanding of an authorized issue of $215,000. Sale of the bonds had been very difficult and had been discontinued but Mr. Gordon stated that the building was scheduled for completion by September, 1931, at which time the remaining seven per cent bonds would be offered to the public. The seven per cent bonds were to be preceded by a 6½ per cent first mortgage loan of $180,000. There is no indication in the offering circular as to the security of the seven per cent issue and we believe that it was merely to represent the floating charge on the property when completed. So far as we are aware there was no trust deed for the issue, although the Imperial Trust Co., Toronto, act as registrars and transfer agents. A representative of the trust company states that they have no information regarding Gordon Arms Ltd.

The issue was sold by Gordon and Walls who termed themselves investment bankers and who had an office at 1102 Star Building, 80 King St. West, Toronto. The company's telephone has been discontinued. We believe that the proposed apartment house was not built and in view of rental and financial conditions in Toronto in the past two years, it seems doubtful whether sufficient funds could be raised to finance the project to completion.

## Investment Trusts

Included in an estate of which I am acting as trustee are the preferred stocks of Investment Foundation Ltd., Foreign Power Securities Corp., Canadian International Investment Trust, Commonwealth International Corp., Alberta Pacific Grain and Irving Oil Co. It is a question as to just which stocks should be retained and which stocks sold. What is the position and prospect of these stocks?

Any improvement in the investment trusts included in your list can only come from improvement in security markets which will reflect or anticipate a general betterment in business conditions. There would have to be considerable increase in security prices to offset the loss on securities held by the various trusts and it would probably be some time before the income of the trust would reflect improved conditions. Preferred shares of Investment Foundation Limited had an equity of $33.93 at March 31, 1932, and this company has no bonds preceding the first preferred stock. Earnings in the year ended March 31, 1932, amounted to $2.07 per share on the preferred and dividends amounting to $1.50 were paid.

Foreign Power Securities Corp. had $4,500,000 of 6 per cent bonds outstanding Oct. 31, 1931, which ranked ahead of the $5,000,000 of preferred shares. At that date the preferred stock had an equity of $93.52 and in the year had earned $5.40 per share and received $6 in dividends. In July, 1932, dividend on the preferred shares was passed due to reduced income of the trust. Dividends are cumulative.

Canadian International Investment Trust had $2,025,000 of 5 per cent bonds outstanding at February 29, 1932, which ranked ahead of the $1,815,000 of 5 per cent preferred stock. Since that date, some $150,000 of the bonds have been redeemed. Earnings of the trust are not quite sufficient to cover preferred dividend charges which have not been paid since December, 1931. At the end of the last fiscal year, the equity of the preferred shares was $44.45 while earnings amounted to $6.18 per share. In all the above trusts, the depreciation in securities held has been so great that the common shares have no equity. There is so little demand for stocks of investment trusts that any prices which are quoted can be taken as being well under the asset value.

Commonwealth International Corp. was formed in the current year and stock was issued in exchange for stock of three other investment trusts. As far as we are aware, practically no new capital was put into the enterprise for investment purposes and it is very doubtful as to when this trust can earn preferred dividends. There is practically no market for the shares.

Alberta Pacific Grain had a deficit of $1,145,921 in the year ended June 30, 1930, before payment of $210,000 preference dividends. In 1931, the company had a profit of $161,001 and in 1932 a profit of $47,887. No preferred dividends were paid in either 1931 or 1932, and with lower grain prices and reduced charges for storage in the current fiscal year it would not appear probable that the company can pay preferred dividends in 1933. In November, 1932, shareholders approved of the cancellation of the 20,000 class "B" no par value voting shares of the company and eliminated the non-voting restrictions on the class "A" common shares.

Irving Oil reported record earnings in the year ended January 31, 1932, and preferred dividend requirements were covered over six times. The company has no funded debt and dividends amount to only $30,000 annually so that even with a decrease in earnings in the current year, it would appear that dividends were comparatively safe.

## B. C. Power

Can you tell me what progress has been made by B. C. Power Corp. this year? I understand that there has been falling off in earnings. Are dividends threatened?

Earnings of B. C. Power Corp. have declined during the current fiscal year which commenced July 1, 1932. For the five months ended November 30, net earnings showed a decrease of 17 per cent from the same period in the previous year and have not been sufficient fully to cover dividends on the Class A stock paid to date. Revenue has failed to show the usual seasonal improvement in the fall months and possibility of some reduction in dividend disbursements must be admitted.

## Steel of Canada

In view of difficulties in the steel industry I would be glad to have your opinion on Steel Co. of Canada. Are dividends still being paid and do you think the company will be able to continue to make the disbursements?

Steel Co. of Canada has issued no statement on earnings during 1932, but it is estimated that they will show a decline from the previous year. In 1931, earnings were sufficient to cover preferred stock dividends but were equal to only 31 cents a share on the common, on which dividends of $1.75 have been maintained to date. Steel production in Canada was about 52 per cent lower in 1932 than in the previous year—a situation which must find reflection in Steel of Canada's revenue. To what extent profits have been affected has not been made public but there is some doubt as to whether they will be sufficient to cover preferred dividends.

The company, however, has established a strong financial position over a long period of years. Surplus at the end of 1931 was $13,796,000 cash, call loans and investments amounted to over $7,000,000. The company's range of production is wide and it should be among the first to feel the effects of increased industrial activity. In the meantime, operations are at a low level but the company's financial position should enable it to hold on until conditions improve.

## Dominion Tar

I should like to take advantage of your subscribers' service to ask you for some information on Dominion Tar & Chemical Co. I hold some of the preferred stock and would be glad to have your opinion on the position and outlook of this security.

Dominion Tar and Chemical Co. is the leading organization in the particular field it serves and eventually may be expected to regain its position. Earnings in 1932 have declined since the company in the past has derived a substantial part of its revenue from the sale of creosoted ties to the railways. The latter, as you know, are restricting their purchases to a minimum. Dominion Tar, however, has been building up a diversified production and recently expanded its chemical division. Prospects for an early resumption of dividends on the preferred are remote but the long term view of the company is not unsatisfactory.

## Atlantic St. Lawrence

I understand that the Atlantic and St. Lawrence Railroad Co. is operated under a permanent lease by the Canadian National Railways Co. and am interested in knowing whether the capital stock now outstanding is guaranteed by the C. N. R. in any way in respect to dividend payments. I notice that dividends have been paid regularly despite the fact that the company has shown a substantial operating deficit during the past few years.

The situation surrounding Atlantic and St. Lawrence Railroad Company is as follows: The road was leased to the Grand Trunk Railway in 1853 for 999 years on terms by which the Grand Trunk agreed to pay rental sufficient for a six per cent dividend on the capital stock of Atlantic and St. Lawrence Railroad Company after charges. In 1884 the Grand Trunk Act was passed giving the company power to fund these rentals by issuing four per cent debenture stocks, but this power was never used.

On January 30, 1932, the lease was acquired by the Canadian National Railways which assumed all obligations. The C. N. R. however, does not guarantee dividends on the stock of this road, but it has obligated itself to pay $330,598 annually to the Atlantic and St. Lawrence and from that sum the latter must pay its various charges, including U. S. corporation income tax. The balance is available for the stockholders.

Payment of the obligation is an operating charge of the C. N. R. but naturally this cannot be regarded as a guarantee of dividends on the capital stock of Atlantic and St. Lawrence Railroad Co., since this sum is subject to various charges before dividends.

## Simpson's Bonds

I hold a bond of Simpsons Ltd. Would it be safe to invest $500 in another bond?

As Simpsons Ltd. has dropped the payment of dividends on all securities junior to its bonds, the question as to the safety of an investment in the bonds needs more careful consideration than for years. You will realize that on the one hand the very stresses which made the company abandon the dividends on the preferred stock are continuing, and that to a certain extent the abandonment of those dividends on the other hand enables the company to conserve cash for operating purposes. Ahead of time it is difficult to suggest just how far interest may have been covered or to talk about safety for years until it becomes evident that companies engaged in retailing are once more showing improved earnings.

The company's year will end about January 28, 30 or 31, and the financial statement a few months later should show the situation during one of the most strenuous years that departmental stores have seen. You have only to look at the large advertisements in the Toronto daily newspapers to realize what a strenuous competitive effort has been put up by both Simpson's Ltd. and by The T. Eaton Co., for business. Business has been conducted on very narrow profit margins and on many of the sales there could not have been a margin of profit at all.

The company is well managed, but because of the diminishing price level must have had to write down its inventories progressively and it has been hampered by uncertain tariff regulations and by depressed buying power. These bonds are a good thing to watch when business begins to recover.

The company has an excellent credit siituation and the fact that banks are glad to lend money as needed is an encouragement to bondholders. The company has always been prompt in paying bills and bondholders would have—even in case of such an unexpected event as default as a result of long-continued business stress—a going company in an exceptional position as retail merchandiser.

## Canadian Car

Can you explain to me how Canadian Car and Foundry Co. lost over $900,000 in its last fiscal year? This seems to be a very heavy deficit, does it not?

Canadian Car and Foundry Co. is the largest manufacturer of railway equipment in the Dominion. Its plants are extensive; property account together with patents and goodwill are carried at over $25,000,000. During the company's last fiscal period ended September 30, 1932, not a single order for railway cars was received. Though the company has reduced its expenses and has undertaken a certain amount of miscellaneous business, shut-down costs of a large property are heavy. As far as we know there is no unusual reason for the loss of $913,193 sustained last year; since the car plants were idle for the whole period.

In the annual report of Canadian Car you will have seen that the cash position remains strong and that the company has $5,221,368 of current assets, against $517,929 of current liabilities.

## Canada Malting Co.

I am thinking of an investment in Canada Malting Co. common shares. Would you kindly tell me its outstanding capital and make clear its financial strength and earnings with respect to these shares? What are its products and is it a leader in its line? Are there any future dangers which can be foreseen at this time?

Canada Malting Co. had outstanding on July 31, 1932, 198,972 no par value common shares. At that date it had no bonded indebtedness and no bank overdraft, and no senior security of any kind before the common stock. Its working capital position was then very strong, being $1,617,956 with current assets of $1,672,969, just 30.41 times current liabilities of $55,013. The company has paid dividends at the rate of $1.50 per share per annum, ever since the initial dividend on March 15, 1928. In 1928, 1929, 1931 and 1932 earnings either equalled or exceeded this dividend, and in 1930 the company earned $1.34 a share.

The company is engaged in the manufacture of malt, principally for use by the distilling and brewery industry. About 90 per cent of the company's production is used in Canada. The company has plants in Toronto, Montreal, Winnipeg and Calgary, with a combined malting capacity of 5,000,000 bushels per annum, and a total combined storage capacity of 3,200,000 bushels.

The company has attained the leadership in Canada in the manufacture of malt and it is apparently in an attractive position so long as no important additional competition develops. It is difficult to say what will be the eventual result of the United States going back to the manufacture and sale of beer. Temporarily that may provide an additional market. Sooner or later malt companies of the United States would have a surplus.

## Nova Scotia Steel

I hold some 5 per cent first mortgage bonds of Nova Scotia Steel & Coal Co. I understand that conditions in the steel industry are picking up; is this true? Has interest due January 1 been paid yet?

There has been no evidence of an improvement in the steel industry as yet, and operations are still being carried on at a level far below capacity. Prospects for a definite upswing are not apparent; until construction becomes more active and railways regain their purchasing power, outlook for Nova Scotia Steel and Coal Co. cannot be considered encouraging.

As you know, interest on the 5 per cent first mortgage bonds due January 1, has not yet been paid; the matter does not come up for consideration until April, since the company makes a practice of taking advantage of its period of grace.

## Canada Bud Brew

What is your opinion of the stock of Canada Bud Breweries Ltd. as an investment? What is the capitalization of this company. What dividend is paid?

Common stock of Canada Bud Breweries Ltd. must be regarded as a speculation rather than an investment although the company has shown better than average progress in its field. The company has 150,000 shares of no par value common stock issued and outstanding of an authorized total of 200,000 shares. The company has paid annual dividends at the rate of $1 per share for the past three years, payments being made quarterly on January 15, April 15, July 15, and October 15 to shareholders of record at the end of the preceding month. In the year ended December 31, 1931, earnings of $1.57 per share were shown in the first complete earnings statement to be issued by the company.

The company manufactures various brands of beer which are sold principally in Ontario, although in 1932 the company sought to develop some business in the British West Indies.

## Industries Trending Upwards

I quite agree with your views that selection of securities must be a personal matter and therefore understand why you will not name a list of stocks suitable for investment. I should like you, however, to name five enterprises which you feel would justify my time and effort in studying their merits and possibilities.

You have been very good in answering such questions as I have asked and I appreciate very much the help you have given me.

It is to be clearly understood that you are not advising commitments in any securities but only indicating sound enterprises which merit careful consideration at this time.

Even to answer your question in its amended form is a matter of extreme difficulty. The industry which is on its back today might in the course of a year or two be running full blast. It would be difficult perhaps to select an industry that has been hit harder than the farm implement industry, for example. But suppose there were a revival of farm prices in a few months the prospects of that industry might be very greatly changed.

Apparently the trend of the times is with chemical industries. You can see for yourself how these are entering more and more intimately into modern life. Apparently cellulose is a product which is winning more and more acceptance but the progress of research in this department and increasing competition from other sources might make a big difference. "Cellophane" has jumped into great prominence within the last year or so and apparently is here to stay, but no one can arbitrarily or dogmatically assert that would be so. Progress of invention and the efforts of other industries to invade a prominent field might bring very quick competition to companies making this.

We all are aware of the increasing use of aeroplanes over a long period of time and expect that in a decade or two decades from now the use of the aeroplane will be multiplied as compared with today. Yet even though the future seems to be with the aeroplane the quick progress of invention in this department has rendered obsolete old aeroplanes at a very quick rate, and many a promising company has fallen by the way because of this quick progress. In this department, for those who can follow it speculatively, there will be some company or companies which will make lots of money but there will be considerable mortality as well.

The trend is still unmistakably toward motor cars and the use of oil products for internal combustion engines. On the air and on the land, on the farm, at sea and even under the sea internal combustion engines are increasing their scope. Yet we have all seen what has happened to automobile companies in the last year or two because of the business depression and the sudden inability of so many people to change their old cars for new. When comparing the motor car, truck and bus with the railroad you see the trend is with the motor car, truck and bus and that the railroad's fight is to retain as much of its old business as possible.

Then there are the old established industries, which are always worth careful study. Flour milling companies, now at 50 per cent capacity, would do better if the international situation were cleared up, duties reduced and exchanges stabilized. Bread companies, now selling with so little profit margin, sooner or later will feel the spur of better times. The same thing is true with dairy companies which will be helped when better prices for farm products generally give more cash and so lessen the effort of every kind of farmer to put his milk on the market in some form.

In any or all of these departments there are opportunities which might prove illusive just as an apparently fine crop of wheat might be badly damaged by an early frost, by rust, by hail, by drought, by fire or many of the other ailments which keep the farmer apprehensive about harvest time. Investments are in much the same class and need to be watched just as sedulously. They have the advantage that, if well chosen, you are usually able to sell quickly and get another if the conditions change which tempted you to invest in the first place.

We might point out that the trend is also to increase use of base metals, of nickel, of copper, of these two metals in combination. That does not alter the fact that these are over-produced at the present time to an extraordinary degree, but the trend to increasing use would hasten the tendency toward quicker recovery when the world once more gets confidence in national and international conditions.

## Standard Securities

Would you please give me some information on Diversified Standard Securities and Second Diversified? What is the position of these investment trusts; I would appreciate some details in this matter.

Diversified Standard Securities and the Second and Third Diversified Standard Securities have been marged into one company known as Consolidated Diversified Standard Securities, Ltd. New preferred and Class A shares were issued in exchange for preferred, common or Class A shares of the old companies and new Class B shares were issued in exchange for either founders or Class B shares of the old companies. In October, 1932, an initial dividend of 25 cents a share on the new preferred stock of Consolidated Diversified Standard Securities was declared, payable December 1.

Re-organization followed depreciated portfolios of the three companies concerned and through declaration of an initial dividend it is evident that scaling down of the capital structure has placed it more in line with earning power. The new company has not yet issued a financial statement.

## British Mortgage & Trust

I have heard many rumors recently of the probable collapse of some of our Ontario trust and loan companies, due to pending legislation by the Legislature and I would be glad to have your opinion relative to the British Mortgage and Trust Corpn. Do you consider it sound? I had under consideration the purchase of some of their debentures paying 5 per cent—are the trust companies likely to reduce their interest rate to depositors and debenture holders? What would you recommend for absolute safety and at the same time a reasonable interest return?

In spite of the great difficulties in the mortgage field the large lending companies apparently are handling the situation well and there should be no collapse such as you fear if the Ontario Legislature does not extend the moratorium on principal to interest. It is doubtful if companies will be anxious to push sale of debentures until they see what form the proposed legislation will take, but it is almost unthinkable that the Legislature should hurt the credit of the province to the extent feared.

The position of mortgage investments of trust and loan companies cannot be considered as high as formerly so long as there is a fear that governments may intervene between creditors and debtors to such an extent that even a full enquiry into the individual merits of cases may not be possible.

As for the British Mortgage and Trust Corporation of Ontario, that company had net earnings in 1931, after all charges, including Dominion and Provincial Taxes of $138,356 which was equivalent to 13.83 per cent on the paid up capital of $1,000,000. This compares with $149,668, or 19.1 per cent, on the paid up capital of $782,700 for the preceding year. A stock dividend of 25 per cent was paid in April which reduced the company's reserve by $197,000 to $820,000.

Over a term of years the company has had an excellent record from the point of view of safety and gradual increase in dividend. Before the stock dividend of 25 per cent the company had paid a dividend rate of 12 plus 2 per cent bonus. This bonus was dropped after the stock dividend, but the combined transaction really amounted to an increase in dividend. The stock, however, as it at present is, pays 12 per cent yearly. Before the statement is ready for 1932, some time in February, it would be difficult to say whether earnings had kept up during the difficult conditions of 1932 to as high a point as they did in the preceding year. The company has a good district, and the report of Government inspectors showed that at the end of 1931 its mortgages were in good shape. As dividends still continue on stock, debenture holders can count on lots of leeway.

## Canada Cement

I have considered selling my preferred stock of Canada Cement Co., but would be glad if you would give me your opinion on this. Do you think the company will regain its position?

Whether you should sell your Canada Cement preferred stock at current low levels depends upon your willingness to accept any loss involved rather than wait for the possibility of a better price. Earnings in the last fiscal year dropped sharply and prospects for an improvement must depend upon more activity in the construction industry. While this has not been apparent as yet, it should be remembered that the company supplies about 80 per cent of all cement manufactured in Canada and has established strong reserves in more prosperous years. Prospects for an early resumption of preferred dividends, however, are somewhat remote.

## Investors Syndicate

I would like to get a line on an investment concern known as Investors Syndicate. I would like to know how long it has been in business, the assets of the concern, in what it invests its money, what is the basis of protection the investor receives as security for his payments, whether or not there is any government supervision over this concern, and give any other information which you might be able to give me.

Investors Syndicate of Minneapolis has been in existence since about 1896 and during the last decade its successive balance sheets have shown a very strong position. These balance sheets are audited by a New York firm on behalf of the shareholders. Holders of installment investment certificates really look to inspection by state and provincial security departments for their protection. In practically every state and province there is some sort of inspection of this company, but details are not published. In Canada the company is asked by some of the provinces to make a deposit with a trust company of sufficient money to protect the withdrawal value on these certificates.

The investment certificate represents a contract for ten years ahead. If you just look back over the last ten years, or the ten years before that you will see how many things can happen in ten years, which it is impossible to foresee. There have been grave stresses in the last two or three years which have been difficult for many mortgage companies and many people have been unable to keep up principal and interest payments as well as previously. Reports from this company have indicated that their arrears are not serious. It claims, however, that the system of amortization by which principal and interest payments are paid on a monthly basis has given the company an advantage. However, it is difficult for any outside critic to have a view of mortgage and other investments which are scattered all over the continent. The company claims that inspection by the Securities Commission of Minnesota through the bank inspection department is a close check and sufficient protection.

On the side of the investor he should take stock as to the likelihood of his being able to pay through ten years the amounts required. If that is done, then the amount received would represent profitable investment. If, within five or six years, the certificate has to be abandoned it is not a profitable contract for the investor. Naturally, in the first few years the cost of selling the certificate has to be taken out by the Syndicate.

## Excess Refinery Capacity

Securities worth $100,000 in 1929 have dwindled to a fraction of what I paid for them. I am engaged in weeding out those which apparently are going to have difficulty in recovery. I am keeping those whose income seems secure and in this connection I would like you to state your opinion as to whether present dividends at least can be expected to continue indefinitely over a term of years in the case of Imperial Oil and British American Oil. I am not so much interested in past earnings as in trying to find out if there is any possibility of these dividends being dropped for any cause later.

Both British American Oil and Imperial Oil are expected in their financial statements to show their dividends to have been earned on the common stock in 1932. The record of both companies is excellent as to the payment of dividends in the past.

The future is not quite so clear, as Shell Company of Canada and other companies have been building additional refineries in Canada, and as there are various projects being broached from time to time for trade with Russia on a barter basis. All of these projects so far have included the use of Russian oil products in exchange for Canadian. This might have quite an effect on both the British American Oil and Imperial Oil, as their crude supplies are obtained in great part outside of Canada and both have important production, especially Imperial Oil.

Imperial Oil pays about 60 per cent of its 50 cents a share dividend from earnings outside of Canada, mainly by International Petroleum in Peru and Colombia. The position of these companies cannot be divorced altogether from the world's situation, that is, great potential over-production of crude oil. The output in the United States is held back with difficulty by the most drastic curtailment measures ever known and the mid-Continent world price in effect.

Excess refinery capacity to a very large extent has affected gasoline prices in the United States and the same possibility cannot be overlooked in Canada in view of recent additions to refinery capacity. The natural effect in lessening earnings of all companies may be avoided by wise co-operation but it constitutes a danger nevertheless.

The bearing of this excess refinery capacity is well shown in the annual year-end review provided by C. O. Stillman, president Imperial Oil. In the course of the review he says:

"Aside altogether from the vindication of the industry by the House of Commons committee investigation, the excess of refinery capacity in Canada should demonstrate the impossibility of any large company making anything but a narrow margin of profit on gasoline sold. The maximum daily capacity of Imperial Oil refineries, for instance, is about 97,200 barrels, or an annual throughput of 35,478,000 barrels. Yet Canadian net consumption of petroleum products in 1928 was 29,228,096 barrels, in 1929 was 35,245,401 barrels, in 1930 was 34,668,467 barrels and in 1931 was 33,485,389 barrels. Calculating gross consumption at from two to three million barrels more in each case, Imperial Oil could at maximum capacity have supplied the whole Canadian demand in 1928, 93.18 per cent in 1930 and 97.49 per cent in 1931. With new refineries now being built, Canada will soon have 161,450 barrels in daily capacity, which works out at 58,929,250 barrels annually. Canadian refinery capacity will then be from 65 to 70 per cent in excess of present needs. Important increases in refinery capacity include the new 8,000-barrel refinery of British American Oil at Montreal, the 5,000-barrel plant now being erected by Shell Oil Company of Canada at Montreal, and another by Shell Oil of 4,000 barrels capacity at Vancouver. Other plants going up include General Petroleum's 1,000-barrel plant at Edmonton and Seaboard Oil & Refining Company's 3,000-barrel plant at Vancouver. With the British American Oil plant, this will give Canada 21,000 barrels more refinery capacity than existed in 1930."

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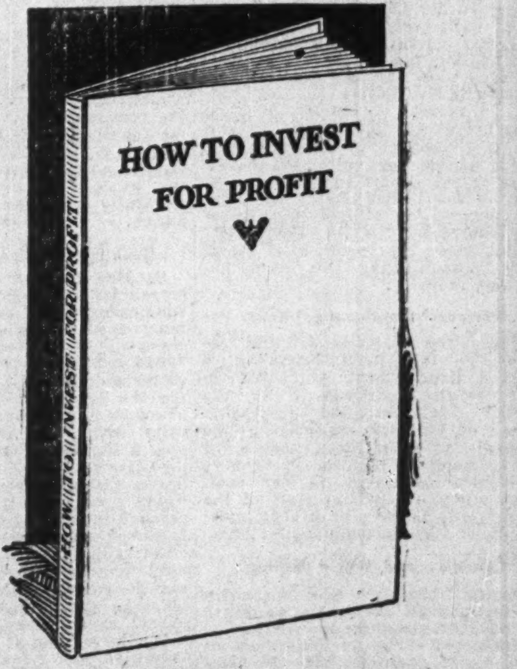
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# The Canadian Bank of Commerce Maintains a Position of Great Strength

## CASH ASSETS OVER 100 MILLION DOLLARS

### The President and General Manager Address Annual Meeting of Shareholders

## "Canada One of the Least Affected and Still Possessed of Strong Economic Reserves"

## "THE FOUNDATIONS OF GOOD BUSINESS ARE INTACT"

### Sir John Aird Reviews World Economic Problems — Wheat a Political Factor — and Intergovernmental Debts

### MR. S. H. LOGAN COMMENTS UPON BANKING RECORD, CURRENCY INFLATION AND CANADA'S TRADE

The Annual Meeting of the Shareholders of The Canadian Bank of Commerce was held at the Head Office in the City of Toronto, Tuesday. After the reading of the Report the General Manager, Mr. S. H. Logan, and the President, Sir John Aird, addressed the meeting.

### The General Manager refers particularly to the Bank's Strong Liquid Position and discusses Currency Inflation and Credit.

The financial statement of the Bank now before you discloses a position of strength and liquidity at least equal to that of the preceding year. This favourable condition will no doubt be gratifying to our shareholders and may, I think, also be considered an important factor making for stability to our Dominion in a very difficult and trying period.

#### The Bank's Statement

Our profits for the year reduced from $4,775,000 in the preceding year to $4,279,000 may at first glance seem large under existing conditions. In order, however, to dispel any idea that banking profits are unduly large, it may be pointed out that if we measure the profits with the total assets of $600,000,000 we shall find that they represent only two-thirds of one per cent.—an extraordinarily small margin. Only by transacting a great volume of business and avoiding heavy losses can this, or any other Canadian bank, make sufficient to pay even reasonable dividends.

As to the other main figures in the Statement, you will note that the large cash holdings of $62,000,000 represent over 11 per cent. of our total liabilities to the public. All our cash assets, together with our bank balances, total $104,500,000, representing 19 per cent. of these liabilities while our total liquid assets of $314,000,000—cash and bank balances plus high-grade securities—were 58 per cent. of all public liabilities. The current loans declined by $25,000,000 and total deposits by $35,000,000, consequent of course upon the shrinkage in industrial and trading operations throughout the country. Our interest-bearing deposits, however, at $397,00,000 were $2,000,000 higher than last year.

#### The Trend of Business.

The general downward trend of world business for the year as a whole was checked on two occasions, first, in the early part of the period, when there were signs of improvement in a few countries and comparative stability in several others, including Canada; and again in the autumn, when world industrial production, which in the summer had sunk to the lowest level since 1919, began to rise. There is room for satisfaction in the Canadian industrial record for the decline in our manufactures was no greater than in 1931, and was less than in some of the older industrial countries. An even better situation could have been presented for Canada had our newsprint mills held their own in the principal market, the United States, and had our lumbermen not received a heavy blow through the new and practically prohibitive American tariff. In respect of lumber, however, it is noteworthy that larger markets for this product in Australia and Great Britain have mitigated the effects of the almost complete loss of that in the United States, and that the unremitting efforts of some of the leading interests to expand their export trade give promise of eventually rehabilitating this most important industry.

#### Farmers' Purchasing Power.

One of the most disappointing features is that notwithstanding a marked improvement over 1931 in crop results, particularly in the Prairie Provinces, the purchasing power of Canadian agriculture—the exchange value of farm produce for the commodities required by farmers—declined by about 10 per cent. Fortunately, throughout most of the country the farmers have a plentiful supply of food immediately at hand.

#### Canadian and World Mining.

During the past year Canadian mining has on the whole sustained its creditable record. It was only to be expected that our production of gold would increase, but the Canadian rate is considerably higher than that of the world increase; it in fact approximates 18 per cent. as compared with 6 per cent. for both the Rand and the whole world. Another satisfactory feature of the mining situation has been the comparative stability of coal production in the bituminous and lignite fields of the Prairie Provinces, with the result that the combined production of this mineral for the whole of Canada fell only 4 per cent. below 1931; the comparable world declines are 15 per cent. for pit coal and 12 per cent. for lignite. Among the other minerals the most severe recessions were 55 per cent. in nickel, 27 per cent. in zinc and 28 per cent. in asbestos; the world declines were approximately the same in asbestos but only 23 per cent. in zinc. In silver the decrease was 11 per cent. for Canada and 18 per cent. for the world. In two of the major non-ferrous metals Canada suffered appreciably less than most producers; the world decline in lead was 14 per cent. and the Canadian decline was 4 per cent., while in the case of copper the world output fell one-third and the Canadian output fell 17 per cent.

#### Foreign Trade.

Our foreign trade shows some striking changes. Comparison in values is not satisfactory in a period of extreme price fluctuations, but should not altogether escape attention. Exports for the twelve months ending November declined by over 100 million dollars, but this was overshadowed by a fall of 184 millions in the value of imports, and taking the total dollar volume of both sides of merchandise trade there was a favorable balance of 49 millions, as compared with an unfavorable figure of 17 millions for the preceding twelve-month period. Such a net result was due in the main to the marked decline in imports, to an abnormally heavy overseas movement of grains and to the expansion of some British Empire and European markets, which practically offset a drastic decline in our trade with the United States.

#### Trade Within the Empire.

It is especially noteworthy that the Empire has taken over 40 per cent. of our exports, in comparison with slightly over one-third in 1931, while Canada has increased her imports from other Empire countries from about one-quarter in 1931 to nearly 30 per cent. in 1932; at the same time her exports to and imports from the United States have fallen, in each case by nearly two-fifths.

A more realistic view of foreign trade is afforded by comparison of the physical volume of world exports and imports. On this basis, there was a decline in world trade from 1931 of about 20 per cent. and one of about one-third since 1929. If wheat is given its proper weighting the total volume of Canadian exports may be regarded as showing a slight increase during the past year, while imports, on the other hand, dropped about 18 per cent. Both exports and imports have, however, fallen about 40 per cent. below 1929.

#### The Credit Policy of Canadian Banks.

Our President will in his address deal comprehensively with world conditions and the international co-operation essential for their amelioration. I need not therefore trespass upon your time in this connection. There are two subjects, however, which have occupied considerable public attention during the past year upon which I should like to speak briefly. The one is the function and policy of banking, and the other is the much-discussed subject of currency inflation.

We have heard the expression of two diametrically opposed opinions as to the Canadian banking system—one both at home and abroad voicing commendation and the other, confined to a decided minority, criticizing it in terms which have sometimes bordered on abuse.

#### Banking Principles and Traditions.

Infallibility of judgment canont of course be claimed for bankers any more than for others in business. Bankers feel themselves bound, however, to adhere to sound banking principles and to follow correct practice in accordance with their past traditions. But I need scarcely say that they do not possess the power sometimes attributed to them by their critics to control the whole course of business and regulate the actions of individuals and governments. They are only one body in the community with their own special function to perform. It is not theirs to dictate but to serve, and their business thrives in precisely the degree that they wisely and faithfully serve the interests of the nation.

#### Banking Practice and Service.

Banking in practice is simply the correlation of deposits and loans, supplemented by the issue of currency required as a medium of exchange, chiefly the notes of the banks upon which the Dominion Government levies a tax of 1 per cent. (in the case of this Bank the tax amounts to $300,000 per annum) and upon which the institutions make only a slight profit. If, however, the note-issuing privilege were withdrawn the country's banking service would undoubtedly be curtailed through the closing of small branches rendered unprofitable by the expense of carrying currency other than their own. Every bank manager throughout the country aims to increase his loans as well as his deposits, for his branch cannot show profits unless it earns more than it pays out as interest on the money deposited. He realizes that if he makes a good showing by proving that he is a good lender he will be promoted at a higher salary. Thus there is continually going on in this country a progressive movement to aid the communities in which the banks are located. In other words, sound banks and a sane banking policy mean stable financial conditions and an adequate supply of credit throughout the Dominion.

#### Safety with Liquidity.

It must be borne in mind that Canada, unlike older countries, has not possessed great reserves of accumulated liquid wealth, therefore, as her domestic financial resources have been slender, bank credit, required over a vast stretch of territory, must be so fluid that it can be used over and over again in a year's time. This raises the question of what determines the kind of loans the banks can safely make in the general interests of the country. Not only must safety be considered, but liquidity as well. If banks tied up funds in farm lands, city real estate, timber limits, mines, or in the capital structures of mercantile businesses, the depositors—and after all it is the depositors' money that is loaned—could not be assured of their money as required. That is why the banks when a loan is applied for, ask for what purpose and for how long the money is needed, and why, also, they expect reasonably prompt liquidation. Each section of the country has an equal right to bank credit, and owing to the seasonal character of business it usually works out in practice that while one branch of trade is at its peak, another is at low ebb; therefore, as borrowers of one group pay off their loans another class is obtaining its accommodation in credit from the banks.

#### The Cycle of Credit.

The farmer who borrows to plant in the Spring should repay when he harvests, thus making credit available to the lumberman for his Winter logging operations. The lumberman, in turn, should liquidate his bank debt in time for the manufacturer to approach his banker for assistance in buying the raw materials required for making Autumn and Winter goods. And so on throughout the cycle of production, trade and distribution. At times, however, there is naturally overlapping, especially when business is so active as to have an abnormal turnover and thereby to cause exceptionally large borrowings. In order then to prevent any cramping of industrial activities or of the movement of the grain crops, and to ensure that there will always be an even flow of credit available for the industrial and agricultural activities of the country, we have in Canada that most useful legislative enactment known as The Finance Act, under which in times of need the banks are able to borrow from the Government upon furnishing high-class security. Its history as a stabilizer in conditions of stress and strain is so well known that much further comment upon it is unnecessary.

#### Credit Requirements Met.

Obviously, supplying this country's banking needs is no simple task. How has this task been performed, both in good and bad times? Between 1925 and 1929 the current loans of Canadian banks expanded in exact proportion to the vast growth in Canadian industrial production. In the same period these institutions financed record crops and exports of grain, although the demand for agricultural credit was relatively less than for industrial, because farming was expanding more slowly than industry. Not only were all reasonable credit requirements in this country fully met, but there was no increase in interest rates.

Surely, then, a banking system which provided an expansion of bank credit that matched the exceptional economic progress of the country should not be regarded as having failed to discharge its principal function.

#### Safeguarding Depositor and Borrower

Since 1929 the decline in the banks' current loans has been less than that in the commodity price level and in the national income. I direct your attention also to the fact that the decline in commodity prices preceded that in bank credit and, therefore, it cannot be claimed that the latter precipitated the former.

There is a further most important feature which is not generally recognized. The advantage to a nation of a strong banking system is not confined to safeguarding the deposits of the public. The protection of the banks' borrowers and thereby of the entire economic structure, is of almost equal importance. Apart from the fact that bank credit has fallen in a smaller degree than that of business activity, a strong banking system is able to help solvent business men, including farmers, to win their way through the maze of difficulties surrounding them.

#### Credit Widely Distributed

To prove that bank credit in Canada has been widely distributed I need only say that we have about 150,000 borrowing accounts on our books, and that 85 per cent. of the number of our loans are for amounts of $1,000 or less, and 96 per cent. for $5,000 or less. Among these borrowers are many thousands of farmers in every part of Canada.

The rates of interest charged in our Western Provinces have met with frequent criticism. In answer I point to the fact that the profit on our loans to farmers in the West is now, and has been in many former years, insufficient to meet the costs of the service we have provided and the losses on loans which, because of extreme weather hazards, lack of diversified agriculture and constantly changing market conditions, are much higher than in the East.

I hope this exposition of the banking situation will show clearly that our banks use their utmost endeavors to finance the credit requirements of the Dominion. Their object is to contribute to the welfare of the country as a whole and thereby achieve success for themselves.

#### The Question of a Central Bank for Canada.

If it could be shown that a central bank could do more than the chartered banks have done, or if there was in prospect some international credit structure with which Canada would be linked, I should be willing to endorse the proposals that Canada should have a central bank. But the facts speak for themselves. There has been banking stability which has saved both depositors and borrowers alike from losses resulting from banking liquidation, and credit has been available to all classes in every section for any worthy purpose at a reasonable cost.

I do not criticize the general principle of a central banking system. Such a system may be necessary in some countries, but I submit that every function of central banking essential for Canada is already being fulfilled through the operation of our existing banks with the auxiliary service of the Finance Act, which is regarded by the financial world as a model of flexibility, combined with such simple and economical operation as to be without cost either to the Government or the public.

#### Advantages Under Finance Act.

It may be noted that the Act provides for freer rediscounting than is permitted in the United States, a country with the largest central bank in the world. Dominion, provincial and municipal bonds and approved paper are all eligible for borrowing or rediscounting under our Finance Act. Much emphasis has been laid upon the Federal Reserve banking system of the United States. Yet it may be pointed out that under the strain of severe depression its facilities for rediscounting had to be supplemented by the creation of the Reconstruction Finance Corporation, thus giving the United States the additional facilities already available in Canada under the Finance Act.

I am satisfied that the establishment of central banking here would mean merely additional charges for banking service which might have to be borne by the public, and the closing of many of our small branches.

#### Currency Inflation.

On the subject of currency inflation I need not stress the fact that history abounds with examples of the heavy losses finally inflicted upon nations by the issue of "fiat" currency greatly in excess of the requirements of trade. Such inflation as we now have may be regarded as a mild stimulant to export trade unlikely to cause serious aftereffects. Some of our citizens, however. contend for a degree of currency inflation sufficient to cause a material rise in domestic prices over world prices. They advocate arbitrary depreciation of the Canadian dollar, to, say, 75 per cent. of parity, or linking it in exchange value with the more depreciated pound sterling.

#### A Drag on Export Prices

The argument in favor of this proposal ignores several important considerations, among them, that part at least of the extra premium on export prices would be wiped out in a corresponding rise in import prices; that there is considerable evidence to show that action of this kind elsewhere has been a drag on commodity export prices; and that world markets, already over-burdened by supplies of raw materials and food products, are in no condition to withstand the further competition resulting from forced exports. We should never lose sight of the fact that the export value of what we sell abroad depends upon world markets over which we can exercise no direct control.

#### Competition in Depreciation.

All this is aside from the fact that further depression of Canadian exchange would automatically increase an already heavy burden of external debt charges upon Governments, Provinces and Municipalities — and consequently of taxation—and that our export trade would be subjected to further attack in the way of countervailing tariffs, such as those placed by the United States on lumber from which the producers of this material now suffer grievously. There is the further consideration that competitor countries now having depreciated currencies would probably still further depreciate their currencies and we should then have a competition in depreciation with results which no one can foretell. Our wisest policy is to let our exchange find its own level. It reflects our commercial and financial condition from time to time with fair accuracy and serves its purpose as a practical check upon undue inflation. Let us not forget that confidence is the first essential of the maintenance of our credit both at home and abroad. After all is said on this subject the truth remains that the world needs relief from excessive tariff and trade restrictions, rather than artificial manipulation of its monetary system.

#### Preparation for Economic Recovery

It is as unreasonable to insist that depression has fastened itself permanently upon us as it was a few years ago to regard prosperity as a settled condition. It cannot be too strongly emphasized that every generation has had to overcome depressions and their attendant serious problems, which in many cases, appeared worse than any ever encountered before. Each such period tested the courage and the capabilities of individuals and nations. As the centre of gravity in this era seems now to have shifted from the economic to the political sphere, the return of normal conditions waits upon affirmative and constructive efforts to bring national policies into line with an economically independent world. During the time required for the solution of these problems let none of us shirk our individual responsibilities.

#### Foundations of Good Business Intact.

The time has come, if it is not already overdue, to stop fault-finding and recrimination and by a spirit of good fellowship assist each other in regaining firm ground. The foundations of good business are intact and we can rebuild upon them. But let us use sound principles and do the work well. Rash experimentation could easily weaken the present structure and make the task of reconstruction much more prolonged and difficult. Among the supports to be maintained in good condition is our national credit and this we can do, if the will remains, with the aid of our merchandise exports and one of our great natural resources, the gold-mining industry.

#### To Continue Constructive Service.

Frequently during the last two years when it seemed possible for the credit of Canada to be adversely affected the gold available for export saved the day. Our 1932 production was about $63,000,000, and we hope to have in the current year an output of $75,000,000 of the metal which can always be relied upon to be accepted without discount in settlement of foreign debts.

While the economic outlook is undoubtedly obscure and one naturally hesitates to express any definite prediction, I am hopeful that this year will witness an improvement in conditions for Canada and the world at large. Towards this end, so far as concerns our own Dominion, I pledge the continuance of this Bank's policy of rendering constructive public service.

### THE PRESIDENT SURVEYS PRODUCTION, TRADE, TARIFFS AND MONETARY POLICIES.

One who speaks to-day on national and international affairs does so in company with a host of others, some of whom seem bent upon overturning the established order of the world's production, trade and social life. Let me say at the outset that while there are imperfections in the practice of our existing systems and that while I welcome every effort to improve working and living conditions in this country, I feel strongly that the faults in the world's economic life spring from the abuse of privileges by individuals and a lack of understanding of the responsibilities entailed in the operation of any system whereby men and nations live and work together. Seriously to consider the overthrow of systems which have for centuries made generally for progress, civilization and happiness of the human race, merely because of the existence of evils which can be removed by the infusion of a new spirit of loyal co-operation among individuals and nations, seems to me to be unworthy of the intelligence of the people of any great nation.

#### The Heritage of the War.

As I have stated from the beginning of this unfortunate period, in an effort to distinguish between cause and effect, the sources of our distresses lie far below the surface, although undoubtedly they have been prolonged by the excesses which were part of our last prosperity, including abuse of the instalment selling plan. But after all possible allowance for recent disintegrating forces, my original conclusion remains—that our economic injuries resulting from the Great War and the events that led up to that conflict had only first-aid treatment.

If, therefore, we keep in mind the fact that statesmen have old, even age-old, as well as new, problems to contend with, it is not difficult to understand why they have not yet been able to complete the setting of the stage of recovery which, through individual adjustments, was partly prepared in 1932.

#### Extreme Protection a Boomerang.

To put the matter more plainly three years of facing facts soberly brought the business world close to a high point of economy and efficiency and made it ready to respond to any political influence that would stimulate trade. There stand to the credit of statesmanship the Lausanne and the Imperial Conferences, the more earnest and frank proposals made at the last meeting of the Disarmament Conference and the recognition in several quarters of the fact that extreme protectionism has proved to be a boomerang. This last element is still so active as to continue to work havoc with world trade. I could not do justice here to the subject of nationalistic mania without extended argument, but to summarize the developments in this direction during the past year, following upon trade restrictions which must have taxed heavily the ingenuity of tariff makers, over twenty countries increased their general tariffs and a similar number adopted licensing and import quota systems, with numerous revisions from time to time, designed either greatly to restrict or to prohibit entirely foreign products; nearly forty raised the duties on various articles, not once, but in every case at least twice, and in some cases six times; and about thirty countries set up foreign exchange control systems both to protect their domestic markets further against depreciated currencies and to preserve them for their own nationals.

#### The Ottawa Conference.

The occasional departures from this policy of trade strangulation may be overtures to economic peace, and if so they are promising, particularly some of the results of the Imperial Conference, including those that led to proposals for new commercial treaties between Empire and non-Empire countries. There was a direct connection between the favorable political events and the rise last summer in high-grade security prices and the general commodity price level, but, while some of the gains have been held, any progress toward recovery, or at least respite from depression, was interrupted by the failure to reconcile the conflicting interests involved in certain major issues, such as intergovernmental debts.

#### Canadian Agriculture.

In Canada we barely missed in 1932 the turn to improvement, slight though it might have been. Had weather conditions continued favorable for only a short time toward the close of the growing season, thus ensuring uniform crops in Southern Saskatchewan, and had grain prices remained fairly stable during the autumn, we would have a picture of better conditions in the Prairie Provinces to-day. But a capricious Nature intervened, not only to cause some damage in Western Canada, but conversely in Continental Europe to provide bumper grain yields in the Western part, which more than offset damage in the East, including Russia and in the United States. These influences may be regarded as temporary, but I think they accentuated a condition which has some degree of permanency, that is, a firm belief in Western Europe that grain importations should continue on a small scale, if they should not cease entirely.

#### Wheat a Political Factor.

The hard fact is, that while such a programme may be considered as uneconomic and therefore as ultimately doomed to failure, political conditions do not permit of a change now, or probably for some years. Wheat is still a political factor of the first order in Western Europe, and evidence continues to accumulate that this product will be one of the last on which tariff rates, in some countries practically prohibitory, will be reduced. If a country such as Germany, formerly a market for about 70 million bushels of wheat per annum, decides, as she has done, to limit her net imports to 10 or 20 millions, should not the exporting countries make a corresponding reduction in their supply for that market? There are several countries to which this question might be applied. Yet the productive area increased in 1932 in all the major exporting countries except the United States and Russia, while even in preceding years there was no earnest attempt to adjust supply to demand.

#### The Survival of the Fittest.

I am quite confident that this country, with all its natural advantages for wheat-growing, would win in any struggle of "the survival of the fittest." But voluntary, rather than forced, measures would be the part of wisdom. Our Western farmers have gone some distance during the past three years in mixed farming, but further diversification with the object of removing, say, 50 million bushels of wheat from the export market should be vigorously undertaken, which would involve a reduction in the total wheat acreage of only about one-tenth. This proposal is based upon substitution in various ways: by the planting and ploughing under of coarse grains where the soil, rendered highly susceptible to drifting by constant cropping and fallowing, requires the restoration of fibre; by each farmer aiming at as much self-support in food as his farm can provide; by the reversion to range or semi-range of land which should never have been cultivated; by a greater conversion of grains into meat, dairy and small live stock products wherever this is possible, not only through enlarging the holdings of live stock, but also through the marketing of larger quantities of feed grains in Eastern Canada; and by more energetic efforts to control the spread of weeds, now one of the most pressing problems. I venture the opinion that the consummation of a plan of this kind would not only improve the price of wheat by at least 10 cents per bushel, but also that it would bring enduring benefits in the better-balanced agriculture which would follow.

#### The British Empire.

The British Empire stands now as the strongest bulwark against depression, for one reason, because over the greater part of the Empire the governing bodies are stable and effective. As my remarks elsewhere point to the inherent strength of Canada, I need at this moment discuss in detail the affairs of only the other senior members of the Empire. The prestige of the United Kingdom has risen greatly in diplomacy, finance and trade. For example, it was due to her leadership, generosity and determination to remove obstacles to world recovery that Lausanne was the scene of better results than were expected. In budgetary adjustment and government financial operations, of which the Conversion Loan is an instance, she has shown one way to that large-scale economy so necessary in all public accounts.

#### British Production Maintained.

Her trade results do not bear out the over-optimistic predictions of those who a year ago saw nothing but advantages in the suspension of the gold standard; certainly they have not corrected fundamental weaknesses in some of the large industries. But British industrial production in 1932 was maintained at a higher rate than in any other major country, except Japan. In comparison with only a slight quantitive decline in exports there was a marked reduction in imports, necessitated, apparently by a sharp drop in the returns on foreign investments and services, such as shipping. In Australia, the new Government, inheriting some of the most serious problems that a country could face, has also adopted a broad policy of budgetary reform, as well as a movement to unshackle trade, and its efforts in these directions, assisted by a succession of good wheat crops and wool clips, have dissipated the fear that that country would be one of the last to enjoy economic health.

#### Resistance to Depression.

The crop outlook in India and South Africa was recently reported as fairly good; in the former country a new source of income has been discovered in the premium on the huge gold hoards of the public, which has sold during the last year or so about $400,000,000 of its holdings. The position of South Africa and Rhodesia in world mining has greatly improved although, except in the case of gold, mineral production has been far below capacity. The British West Indies have not escaped entirely the effects of world depression, but nowhere has there been stronger resistance to it. It is unfortunate that similarly favorable testimony cannot be offered on behalf of the Irish Free State, whose fiscal policy is not far removed from self-destruction.

#### Foreign Countries.

In Latin America internecine strife and financial weakness make the general situation more obscure than elsewhere except Eastern Europe. In the latter area the depression has steadily deepened and adequate relief to the 200 million people whose fate was made uncertain by the "self-determination" policy of the Treaty of Versailles appears to be an event of the distant future. While Russia has made some remarkable gains in production, it is believed that much money has been wasted in her attempt at rapid industrialization, and this, together with the failure to reach objectives in grain planting and inadequate distributive facilities, portend severe privations this Winter.

#### Western Europe.

Turning to Western Europe, opposite trends have been evident in France and Germany. The fall in French industrial production has been one of the sharpest recorded in 1932, about double that in Germany. On the other hand, the French Government, in contrast with the German, was so strongly entrenched for a time as to be able to display qualities of high statesmanship. Both countries have financial clouds overhanging them, those of France of course being of more recent origin, and of a less threatening character than those of Germany. The heavy drains upon the French Treasury, however, and a sharp decline in foreign trade receipts have at last raised the question as to whether the large monetary gold reserves can be fully retained. The comparative stability which was characteristic of business in the Netherlands, Italy, Belgium, Switzerland and the Scandinavian countries in the early part of the depression gave way in 1932, some in this group being among the worst affected by the general decline in world trade.

#### Economic Retreat Checked

This economic retreat along a broad front was relieved toward the close of the year by an upturn in industry and foreign trade, owing partly to seasonal influences, but in certain countries, Germany for example, it was the reverse to developments in the Autumn of 1931.

Japan enjoyed the distinction of an increasing export trade as a result of exceptional activity in her cotton and silk industries and an expansion of the Manchurian market which offset most of the effects of the Chinese boycott. The salient feature in Japanese economy, however, is the great strain on her national finances in order to provide for her military and naval programs.

#### The United States.

The course of American business throughout most of 1932 was sharply downward, industrial production in mid-Summer being not much more than half that of 1928, while the decline in the volume of exports was the second largest among the foreign trade of the leading countries. It is unpleasant to contemplate how much worse American conditions would have been if emergency measures, such as the formation of the Reconstruction Finance Corporation, had not been adopted to place a brake on the retrogressive influences and if the majority of the large financial institutions had not been in a sound position.

#### Intergovernmental Debts.

The fact that the United States has suffered great economic distress may explain the seeming ruthlessness, in contrast with a usually generous attitude, with which the question of war debts is considered by many American people. But if a moratorium on these debts was necessary in 1931, was it not all the more so a month ago? If later, as an alternative to default on the part of its debtors—which as someone has said would be without dishonour—or to a further reduction in its own standard of living, the United States is in a receptive mood, the following points might be taken into account. It is true that its allies borrowed the money, but they did not anticipate that the normal means of payment, that is, goods and services, would be all but completely barred. Strict observance of the contract is required of a creditor as well as of a debtor.

#### More Than One Creditor.

Further there are more than a few countries and more than one creditor's claim involved in this question. Nearly thirty countries and more than 50 billion dollars in amortization and interest payments are involved; while the United States is the major creditor, being due to receive all told about 21 billions, there are seventeen other nations which, in the absence of ratification of the Lausanne Agreement, would be on the credit side of this account, France and Great Britain alone to the extent of over 4 billions. Having regard to the proposal of most of the creditor countries that they forgo the greater part of their claims, it seems unbelievable that the United States alone can resist a movement to obtain relief from one of the most deadening influences on world trade.

#### Great Britain Cancelled Claims.

The tendency to make this necessary debt adjustment conditional upon disarmament is laudable and I am tempted to hope that it would be acceptable to the debtor countries, especially if, as is stated in some quarters, the world has passed into another "war cycle." But it should be borne in mind that disarmament is contingent upon the solution of political problems which are a heritage of centuries and which, therefore, do not lend themselves to speedy removal. Finally, there is the precedent that Great Britain after the Napoleonic Wars wiped out most of her claims against her allies with, as history shows, beneficial results upon world economy.

#### Canadian Problems.

The Canadian public owes a debt of gratitude to the members of the Royal Commission who, at the cost of time and energy they could well have spent in other directions, have recently presented a comprehensive even if unflattering, report on our railway situation. Not only does the report afford a clear insight into a history of reckless rivalry leading to gross extravagance, but it points the way to at least partial relief.

Having been one of the first to criticize our governments for their financial practices of former years and to warn them of the necessity for stringent economy, I welcome the opportunity of offering my congratulations upon the earnest efforts made recently to achieve budgetary balance, although I am not satisfied that all the waste in the form of extravagance and inefficiency has been eliminated.

#### Few Rich People Left.

In this connection I believe that a considerable saving in expenditure could be made by a repeal of laws which provide for progressive yearly expenditures, such as those of a capital nature for buildings and improvements and for salary lists of all governments, municipalities, schools and other official organizations. Perhaps, however, we can expect further progress in curtailment of expenditure now that it has been shown that there are limits to a government's borrowing capacity and that some of the old sources of taxes have shrunk. The income tax list, for example, is likely to be much smaller than a year ago and if the truth be known, there are not many rich people left.

#### The Banking System.

Some of the current discussions on banking in Canada by those opposed to the present system—the discussions even being in the guise of a movement to establish a central bank—indicate that what they really desire is the nationalization of banking. As this form of banking has been under discussion in the United Kingdom for some time we might consider the outstanding arguments for and against it. One of the strongest proponents admitted that this system would not be as safe as that at present in vogue, but qualified his pronouncement by saying that there was ample margin to provide for the additional risk, a statement that will not stand the test of experience in banking results. The Rt. Hon. Stanley Baldwin once stated that there was not a government on earth that he would trust to manage a currency.

#### Currency and Credit Free of Politics.

Viscount Snowden, in endorsing some years ago the Rt. Hon. Ramsay MacDonald's pronouncement that the control of currency and credit must be kept free from political influence, said he was not prepared to put such control in the hands of any government, which might use it to gain popular support. A British economist of independent views, Mr. O. R. Hobson, has this to say on the subject: "Let there be no mistake about it, under the socialized system, there will be no keeping such questions out of the political arena. Credit policy will become a matter of wire-pulling and lobbying." It would indeed be a sad day for Canada if banking became the sport of politics.

#### Monetary Politics.

The advocates of bi-metallism, symmetallism and managed currencies now find less encouragement than a year ago. It has been proven that the decline in the price of silver had but little to do with plunging the world into depression, for one reason because while Asia accounts for half of the world's population, its share of international trade is at best only a fraction of the total and a great reduction in that share could have had but slight effect upon world economy. This being the case, it is impossible to see how the reintroduction of silver into the monetary system could improve the purchasing power of Asia or any other part of the world, although its use could be extended as subsidiary coin.

We need only view the wildly erratic movements of the monetary exchanges to realize that if the world desires international trade, even on the present greatly restricted scale, it requires an international money, which most of those thoroughly familiar with the subject now agree should be gold.

#### Monetary Gold Basis of Credit.

I have held to the opinion that the world should return to the gold standard as quickly as possible, but there are certain conditions first to be fulfilled, among them, that all monetary gold be the basis of credit, and that creditor countries accept more freely the goods of their debtors so that there would be that movement of gold across national boundaries which makes for uniformity in commodity prices practically the world over.

As the gold holdings of central banks and governments have risen almost uninterruptedly since 1919—they have increased by over 70 per cent. since that year—and as they once supported a great mass of credit, the statement that the world has suffered from a shortage of this metal may be regarded as fiction.

#### Gold Production.

There is an impressive record in respect of world gold production, which has steadily risen yearly since 1921 to an estimated value in 1932 of 460 million dollars, the largest since 1915 and above the average of pre-war years. The influence of the bonus on production through an exchange premium in most of the productive areas, as well as any addition to the supply of unemployed people working placer beds, is infinitesimal. The most important elements are that prospecting for base metals is less attractive and for gold more attractive, that improvements have been made in mining practice and metallurgical technique and that extensive new gold ore bodies have been discovered.

#### Increased Output in Canada and South Africa.

These developments favorable to increased output are centred mainly in the two major producing countries, South Africa and Canada; in the former there was a further influential factor in an increasing supply of native labor, which, incidentally, has been one of the problems in South Africa. In the presence of these important changes the date set a few years ago by the Gold Committee of the League of Nations for a decline in the Rand production must be postponed, perhaps for many years, while for part of the interval at least a continued rise is in prospect. The imposing figure for the value of Canada's output in 1932, $63,000,000, is actually below what she can, or will shortly be able to produce. About $70,000,000 could be obtained from our present and definitely planned facilities, for both gold and base metal mining, the latter being the source of about one-eighth of the present gold output. We have, therefore, already progressed rapidly toward that value, 100 million dollars, which I set two years ago, when the figure was 56 millions, as an estimate of what this metal would contribute to our national income in 1940.

#### Business Prepared to Expand.

Depression has forced adjustments and, consequently. greater efficiency upon every business man who has had the will to survive, and good bankers everywhere stand ready to lend assistance to any sound expansion while the so-called capitalist continues to search for new avenues of profit (even in a mineralized belt on the rim of the Arctic Circle) along which labor may find new employment and producers new markets. With the capitalist the inventor and the scientists are directing their efforts to perfect their experiments to the stage where they can be applied for the public benefit as may be witnessed by the progress in electrical refrigeration and television, the latter promising to revolutionize the radio industry before long; in fact, it is so close to perfection as to warrant its introduction in the programmes of the British Broadcasting Corporation.

#### Ten Per Cent Reduction in Tariff.

I do not claim that the business world has rid itself of all the poisonous elements which were in its system, but that it has left world politics far in the rear in the readjustment to economic realties and is now ready to advance. Some bold stroke of international action is required to permit of economic progress and I suggest an early reduction of 10 per cent. in every tariff in all countries, a move which should not seriously disturb the economy of each, but which might check the decline in world trade and lighten the arduous tasks confronting statesmen at the forthcoming World Economic Conference.

#### Canada's Future.

As for Canada, my faith in her ultimate future has not weakened in the slightest degree. After more than three years of depression, which came upon us while we were in a most vulnerable position and in which period we have suffered the disability of successive short crops over a fairly large section of our Western grain belt, as well as low prices for most food supplies, we find our country one of the least affected and still possessed of strong economic reserves. One of our aims should be so to conduct our affairs that we shall not slip back into the "Slough of Despond."

In visualizing a gradual return to better conditions, I do not wish to convey the impression that I could regard with satisfaction a repetition of the madness and folly that characterized much of the prosperity of 1926-29. Good times, when they return, must be on a sounder basis and in a less exaggerated form if they are to endure for more than a short term.

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## Central Finance In Affiliation With U. S. Firm

Central Finance Corporation, Toronto, announces that the Household Finance Corporation, of Chicago, Ill., has acquired a substantial interest in its company with the purpose of expanding the former's business in Canada. Central Finance Corporation is one of the two Canadian companies which have been chartered by Special Act of Dominion Parliament to conduct a personal loan business.

Household Finance Corporation is the oldest and second largest personal finance company in the United States, having been founded in 1878 and having a loan business in excess of $56,000,000 in 1929. Since 1926, when the company had 39 branches in the United States and loans of less than $16,000,000 it has expanded rapidly, there being over 150 branches at the present time.

The Canadian company will continue to operate under its present name, retaining all its former staff. Officers of the reorganized Canadian company are: L. C. Harbison, president of the United States concern, president; A. P. Reid, formerly general manager of the Canadian company, vice-president; F. B. Hubachek, secretary of the United States company, secretary; D. D. Macleod, B. B. Osler and A. P. Reid, Toronto, directors.

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#### Alberta Sends Pelts to England

Ten thousand silver fox pelts from Alberta will be put up for sale at the forthcoming sale in London, England, from January 23 to January 25, according to G. W. Myers, secretary of the Alberta Silver Fox Breeders' Association. Higher prices are anticipated this year, than last.

SECOND SECTION

# THE FINANCIAL POST

SECOND SECTION

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## PRICE CUTTING STUMBLING BLOCK TO FLOUR MILLERS

### Co-operation Essential to Protect Capital Invested

### OUTLOOK FOR 1933

### C. H. G. Short Sees Flour Industry's Salvation in Saner Merchandising Methods

From Our Own Correspondent

MONTREAL.—There is no present indication of a happier state of affairs in the milling industry in the immediate future unless price-cutting can be ended, according to C. H. G. Short, general manager of Lake of the Woods Milling Co. and honorary president of the Canadian National Millers Association in reviewing the outlook for the current year. Co-operation in one form or another is essential between the various mills if the huge amount of capital invested in the industry is to be protected, he says. The factor which is retarding progress is the selling price which has been too close to production costs to show a satisfactory return either for the volume of turnover or on the capital investment in the mills.

According to Mr. Short, a rehabilitation of the industry would come from the moment that all mills were in agreement not to merchandise their products at any time except at a profit. Failing recognition of this there would seem to be no alternative solution, other than a survival of the fittest, than a bringing together of the various entities into one central and corporate control. In expressing his personal views Mr. Short fully realizes the many difficulties which would have to be surmounted to effect such a result and unhesitatingly admits what he terms the "infinitely preferable solution" which is the continued operation of the various mills as separately controlled entities as at present, motivated and governed by saner merchandising methods.

**Cause of Price Wars**

He continues in part:

"The desire for an increased volume in the domestic market to offset lost export volume and the maintenance of production cost has been the primary cause of the severe price competition between the mills in the domestic market. In the main, increased volume of business in the domestic market is obtainable only through cut-price competition, and the extra volume of business obtainable does not reduce overhead costs to equal the extent to which the average price return is affected by the price competition. As a result increased volume does not necessarily increase profits, and in actuality the exact reverse may be the case. It may be that one or another mill is able to sell its product at an average price premium above the products of its competitors, but this premium can only be relative, and low and unremunerative prices on the part of one will of necessity reduce the price structure of all the others in the determination to withstand encroachments on their own volume of business.

**Might Inaugurate Quota**

"The question of saner merchandising involves the matter of volume production, the struggle for which if it persists in a limited domestic market precludes the possibility of price stabilization in reasonable relation to cost. The fight for volume production could to a very major extent be eliminated by the distribution of business between the mills on the cartel or quota system, which, if put into operation, would of itself result in all mills realizing that no extra volume of business was worth while unless taken demonstrably on a profitable basis.

**Bakeries Are Problem**

"The prospects for the coming crop-year for the milling industry are to a great extent dependent upon the degree of co-operation ruling between the mills in respect to merchandising policy. The indications are not particularly favorable, in view of the distressed condition of Western Canada, with its potential buying ability considerably curtailed. To those mills which have subsidiary bakeries in the West the situation is doubly fraught with difficulty, as the baking industry is also materially affected adversely by the depressed economic situation. It is hoped that with an improvement in the international financial situation will come a stimulated export trade, and the first is a consummation eagerly looked for by reason of the generally improved conditions it would be expected to bring [illegible]s train.

"Given an improved export demand, the Canadian milling industry would have a reduced overhead in relation to its total production, with every possibility of increased profits. The situation is not altogether tinged with gloom. In common with many other industries, the milling industry has weathered and is weathering distressed conditions. With a stabilization of selling conditions and policies there is no reason, having effected the maximum economies the time of depression has entailed upon them, why the mills should not anticipate times more prosperous in the offing than the lean periods they have survived successfully."

## Can. Forgings Experiences Difficult Year in 1932

From Our Own Correspondent

MONTREAL.—Reflecting the unsatisfactory conditions which have prevailed in the steel industry for the past year, operations of Canada Foundries and Forgings Ltd. in 1932 have been conducted at a relatively low level and it is expected that the financial statement will show no improvement over 1931. In that year activity resulted in a loss of $34,390.

Demand for heavy forgings and drop forgings dwindled in the latter part of the year and plants have been operating with skeleton staffs. Export business of the James Smart Manufacturing Co., a subsidiary at Brockville, has been restricted by adverse exchange conditions; in normal years this company shipped its products to a wide market.

Canadian Foundries however has been able to maintain its liquid position at levels approximating those shown at the close of 1931 when working capital totalled $660,850 with current assets 13 times current liabilities.

## Depreciating Dollar No Help to Canada

### Foreign Countries Would Raise Tariff Barriers on Our Goods; Competitors Would Cut Prices; Would Hurt Our Credit Abroad

By a CANADIAN BANKER

A number of politicians and economists, professional and amateur, are advocating a policy of depreciating our dollar, at least to the level of the pound sterling, if not to the still lower level of the Australian pound.

Our dollar to reach the level of sterling must fall to a discount of 33 per cent in terms of United States funds (or gold). At 33 per cent discount the Canadian dollar is, of course, worth only 67c. in the United States and the Canadian half-dollar worth 33½c. there. Thus it would take almost $1.50 Canadian, when so depreciated ($1.49 is closer) to buy $1 American, and the premium therefore we should have to pay when we wanted United States funds would be 49 per cent.

Should we depreciate our currency to the level of the Australian pound, the discount on our dollar in terms of gold becomes 47 per cent, that is, it would be worth in the United States 53c. and the premium for a purchase of United States funds here would rise in consequence to 87 per cent. I find it hard to believe that any serious student of economics would advocate a deliberate increase in the premium we must pay for our essential purchases of United States funds from the present level of 15 per cent to 87 per cent to place us on an equality with Australia. I shall, therefore, confine this analysis to the study of the results which are likely to occur from a policy of depreciating the Canadian dollar to the level of the pound sterling and thus increasing the United States premium here to 49 per cent.

**Debt Burden in U. S.**

We have some $250,000,000 in bond interest and principal to pay in the United States during 1933. At the present 15 per cent premium this will cost us, say, an additional $37,000,000. At 49 per cent the premium cost would rise to $122,000,000. A positive increase of $85,000,000 in our debt burden can only be met by a sharp rise in the taxes levied in this country. Our taxes are already so heavy that they are making the transaction of business extremely difficult.

Those who favor dropping the dollar to the sterling level claim that the larger amount in Canadian dollars which we will realize from our exports will so stimulate business in Canada and increase general prosperity that the heavier burden of taxes will not be felt. This claim appears to be based on the assumption that, should our dollar be depreciated by 33 per cent, Canadian exports will benefit to the full extent of that depreciation. Is this likely to be the case? When Britain abandoned the gold standard and the external value of the pound depreciated rapidly, 24 nations promptly raised their tariff barriers against her to protect their domestic markets from invasion by her goods. Their example was subsequently followed by a number of other countries and even we, in Canada, imposed a special dumping duty on British goods and levied ordinary duty on their sterling value converted, not at the depreciated value of sterling, but at the par value of $4.86.

**Attitude in U. S. A.**

The reaction in the United States on this subject may be judged from the statements made by leading American politicians stressing the necessity for further protection of their domestic market against the influx of goods from countries the currencies of which are depreciated.

In the light of these demonstrated facts, I think it may reasonably be asumed that drastic depreciation of the Canadian dollar would be countered in many countries by the imposition of higher tariffs, dumping duties and the like. Should this be so, a substantial measure of the advantage promised our exporters through depreciation would go instead to swell the revenues of some foreign governments.

Let us suppose, however, that in so far as wheat, for example, is concerned, no further tariff barriers were raised against us despite our action in increasing the premium on our dollar in terms of gold from the present level of 15 per cent to 49 per cent. The Fort William price of wheat per bushel would be raised by this degree of depreciation from 45 cents to 57 cents but of this 12 cent gain a part at least would be lost to the grain grower by the attendant increase in our internal price level. We could not, of course, hope to retain in Canada the whole of this domestic price advantage and at the same time win wider markets for our grain since the depreciation would not place us in any better position than we now occupy to compete with other sellers unless we make price concessions.

**Competitive Price Cuts**

As a practical matter, in so bitterly competitive a market as now exists, it is likely that price concessions would be largely met by further concessions by our chief competitors and the Canadian producer might eventually receive 45 cents in our heavily depreciated currency instead of the anticipated 57 cents. This in fact is what has happened in the Canadian newsprint industry which by competitive action has lost all the benefit of the existing premium on our dollar.

Since it is the unanimous opinion that only through a rise in the price of commodities can the world hope to escape from this depression, is it wise to adopt as a Canadian national policy, one, the advantages of which are problematical but which will have a tendency to still further lower the world commodity price level?

The most serious development that I fear, however, from any such drastic depreciation of our dollar is that should we adopt the plan as a deliberate policy, we would create among Canada's foreign creditors grave doubts and anxiety as to the financial stability of our country. That there are sound grounds for this fear is borne out by two recent considerable swings in exchange rates, which were due almost entirely to relatively insignificant causes of a psychological nature. During the ten days succeeding Britain's abandonment of the gold standard, the premium on United States funds in Canada rose 14 points, reflecting a fear in that country that a crisis in Canada's financial affairs might come about through England's action. Similarly, the mere suspicion that the recent $35,000,000 transaction between the Dominion Government and the banks reflected the commencement of an official policy of deliberate inflation in Canada, was sufficient to cause anxiety in that country and to raise the premium on the United States dollar here by 9 per cent during November last.

**Need International Confidence**

If there is any disturbance of international confidence in our financial stability, our position is an extremely vulnerable one. Not only do American investors hold an immense total of our bonds, but we have in this country very considerable sums on deposit which are controlled by United States corporations and citizens. Some of these deposits represent the working balances of branch houses established in Canada by United States concerns, or the accumulation of profits of such branches, awaiting a convenient time or a more favorable rate to be repatriated by the parent house. Others represent proceeds of the sale of goods in this country by American exporters who are not represented here but who, because they have confidence in Canada, leave these funds on deposit here temporarily. Should any doubt arise as to Canada's ability to meet her obligations abroad, every effort would be made, regardless of cost, to recall these balances at once, or at least to reduce them to a minimum. At the same time, United States holders would endeavor to rid themselves of our bonds. As fear spread, buyers would be increasingly difficult to find and the bonds would be offered at lower and lower prices.

**Flight From Canada**

Under such circumstances the flow of funds from this country would almost inevitably reach such proportions as to be in fact a flight from the Canadian dollar. Any effort by the Central Bank to hold the discount at 33 per cent under such circumstances would be completely ineffective. The dollar would depreciate to an extent never contemplated by those who now advocate this policy and the international credit of Canada would receive a blow from which it could not recover for many years.

I have outlined the risks which I believe will attend a depreciation of our currency to the level of sterling and have indicated how problematical in my opinion are the benefits which it is promised will accrue therefrom. To those who hold the view that I have exaggerated these risks and minimized the potential benefits and who feel, therefore, that to make the attempt may be a justifiable hazard, I would ask this question: could we continue to enjoy the benefits which they anticipate from the adoption of the depreciation policy unless we can successfully stabilize our exchange rates at the sterling level over a reasonably long period?

**Central Bank Futile**

In my last article I gave the reasons which led me to the conclusion that any sustained effort by the Central Bank to stabilize rates at an artificial level must inevitably exhaust the resources which it has available to exercise such control and so bring the attempt to failure. The wider the divergence between the natural and artificial levels of exchange the greater the strain on these resources.

One writer has suggested recently that an important duty of the Central Bank in connection with its control over exchange rates would be the regulation of Canadian borrowings abroad by way of bond issues. He believes that had such a regulation been established some years ago we would not now be facing so large a foreign debt nor be called upon to meet such heavy annual payments of interest and principal in other countries.

**Governments Would Object**

While it appears a logical development that if exchange control is to be exercised effectively such regulation should be provided, it would present for solution some very practical difficulties. We have in Canada nine provincial governments, four municipalities of major size, and a large number of the latter of intermediate importance. All these have for years enjoyed complete independence in the control of their own financial affairs and have been at liberty to seek the loans they required in whatever market offered them the most attractive terms. I would anticipate strenuous resistance from these bodies to any proposal that they should surrender this prized independence to a central institution in the management and decisions of which they would have little or no voice.

Let us assume, however, that they were persuaded to consent to regulation in the national interest and that one province sought and obtained permission to float a loan in the United States and succeeded in doing so on terms more advantageous than those which could be secured in the domestic market. If another province then sought similar permission but was refused on the grounds that their flotation would increase the burden of Canada's annual foreign debt payments to a degree which the Central Bank considered undesirable, one can imagine the vehemence of the protests from the disappointed province and the charges of favoritism and political influence which would be made.

**Editor's note**—This is the sixth article in a series by a Canadian banker, written for The Financial Post, to give the viewpoint of Canadian chartered banks on the question of a central bank for Canada. The seventh article will follow in a subsequent issue.

## Dom. Bridge Cash Assets At Highest Peak in History

### Company Piles Up Reserves Against Prospects of Lean Times—Holdings of Bonds Show Wide Increase in Three Years

From Our Own Correspondent

MONTREAL.—Analysis of the last balance sheet of Dominion Bridge Co. indicates that the company has been preparing itself for the lean times which are in prospect during the next year or two. Construction activity has been slackening steadily; in 1932 it was some 63 per cent below the previous year. Outlays on major developments requiring substantial tonnage of steel work have been dwindling; outlook for an improvement this year is not impressive.

But for the past three years cash position of Dominion Bridge has been steadily strengthened and at the end of the last fiscal period, October 31, 1932, cash assets reached a new high peak. Despite lower earnings the company has consolidated its cash position to combat plant inactivity and restricted revenue, a policy which should stand it in good stead in the present fiscal year.

**Large Cash Assets**

At the close of the last fiscal period balance sheet showed net cash assets; that is, the total of cash, call loans and government and other bonds, less current liabilities, at $5,621,578. This compared with $4,424,347 in the previous year and $3,449,077 in the year before that. Improvement in cash assets is not only due to smaller current liabilities resulting from lessened business. Each year of the past three has witnessed substantial increases in total of actual cash holdings; at the end of the last fiscal year these totalled $6,536,809 against current liabilities of $915,231. Figures here do not take into consideration other current assets such as inventories, accounts payable and similar items.

Gains recorded in cash assets have mostly been reflected in larger investments in bonds. The last balance sheet showed government and other bonds at $3,859,835, an increase of $1,717,000 over the previous year. Cash was also higher by $171,000 at $1,261,620 but call loans dropped by $1,535,000 to $1,415,355.

**Relation to Common Stock**

Extent of cash assets to common stock outstanding shows an interesting position. Total of $5,621,578 revealed at the close of last year was equal to $10.93 a share on the 513,951 shares of no par value issued. At the end of the previous year cash assets were equal to $8.68 a share and in 1930 were equal to $6.71 a share on the same number of shares.

Dividends have varied in the past three years and the full disbursement has not been entirely covered in the past two. Last year the company earned $1.49 a share and distributed $2.25. In the year ended October 31, 1931, per share earnings were $3.23 against dividends of $3.30 but in the previous period the common earned $3.86 a share against a disbursement of $3.60. At present payments indicate a rate of $2; two quarterly dividends of 50 cents a share having been recently declared, the second payable April 15, 1933.

**Orders Show Decline**

The close relationship between activities of Dominion Bridge and the general situation in the construction industry is indicated by the decline in the company's new business secured last year. In the 12 months ended October 31 last, value of new work obtained was 67 per cent less than in the previous period and output showed a drop of 48 per cent. For the first 11 months of 1932 value of construction dropped 63 per cent from the same period in the previous year.

Observers see little hope for an early improvement in constructional activity particularly in the field served by Dominion Bridge Co. Corporate expenditures on plant expansion, governmental outlays on bridges and similar projects both offer a potential source of revenue to the company but in both cases indications are that financing of such developments will be deferred for some time. Importance of Dominion Bridge's cash position, therefore, is of paramount in viewing the company's prospects until building activity improves.

The following table illustrates relation of the company's cash assets to current liabilities in the past three years:

| | 1932 | 1931 | 1930 |
|---|---|---|---|
| Cash | $1,261,620 | $1,090,181 | $1,738,308 |
| Call loans | 1,415,355 | 2,950,000 | 2,450,000 |
| Gov't. and other bonds | 3,859,834 | 2,142,576 | 1,141,604 |
| Total | 6,536,809 | 6,182,757 | 5,329,912 |
| Less: Current liabs. | 915,231 | 1,758,410 | 1,880,835 |
| | 5,621,578 | 4,424,347 | 3,449,077 |
| Per share | $10.93 | $8.68 | $6.71 |

## AMALGAMATED ELECTRIC CORP. HAD HARD YEAR

### Financial Statement Will Likely Reveal Loss For 1932

From Our Own Correspondent

MONTREAL.—Amalgamated Electric Corp. experienced another difficult year in 1932 and it is expected that the financial statement for that period will reveal an operating loss. In 1931 earnings totalled $12,816 and a deficit of $81,713 was brought forward in surplus account.

The company's progress depends largely on new construction activity. Building has fallen to low levels and last year dropped over 60 per cent below 1931, a situation which has found reflection in earnings of Amalgamated Electric Corp. Preferred dividends have been suspended since April, 1931.

**Demand Follows Building Trend**

The company manufactures wiring devices, lighting fixtures and various miscellaneous electric units for residential and industrial purposes. Demand for such products closely follows the trend of new construction and sales have declined accordingly.

Voting control of Amalgamated Electric now lies with Northern Electric Co. With the passing of five quarterly preferred dividends the stock assumed voting power and Northern Electric has acquired a sufficient number of shares to give it a dominant position in the company's affairs. In addition Northern Electric holds a substantial block of common.

Capital structure of Amalgamated Electric comprises $1,175,000 of 6 per cent preferred and 50,000 shares of no par common. The company was formed in 1929 as a merger of three companies engaged in the manufacture of allied lines of electrical equipment. A western company was added a few months later.

At the end of 1931 working capital totalled $601,984 with current assets of $680,945 against current liabilities of $78,961. In assets, cash amounted to $121,261 and investments at market value were $69,353.

## *Economic Wisdom Down the Ages*

### *and How History Repeats Itself*

**THE SCRIPTURES**

"In the day of prosperity, be joyful; but in the day of adversity consider: God also hath set the one against the other."

—*Ecclesiastes 7:14.*

* * * *

**PARALLEL FROM GERMANY, 300 YEARS AGO**

"And it came to pass that throughout the entire land there was depression accompanied by abnormally high and wholly un-Christian money rates and a complete paralysis of commerce and industry of such severity as the world had not experienced before or is likely to witness in the future. Even the foremost among the citizenry were guilty of engaging in financial deals of a dubious nature. Reckless borrowing was practised everywhere, regardless of the high rates of interest and the high premiums which borrowers were obliged to pay. In this way the charges became so heavy that it was impossible to meet them. Each one was in debt. All became poor, and their poverty led them to deceive and defraud those who had come to their aid. Many were ruined, and large numbers died from grief.

"I am writing this that it may serve you as an example, that you may learn therefrom to fear and obey God, and not shun work or seek to expand against the will of the Lord. For those who would grow rich by force and speed, invariably grow poor and bankrupt."—*From the Diary of the Mayor of Leubeck covering the years 1603-1620—translated from the German by Dr. M. Winkler, of New York City.*

**THE PHILOSOPHERS**

"Whatsoever is brought upon thee, take cheerfully, and be patient when thou art changed to a low estate. For gold is tried in the fire and acceptable men in the furnace of adversity."—*From the Apocrypha, Ecclesiasticus, Chap. 11.*

* * * *

These quotations are from the collection of records and sayings throughout history in times of depression and adversity, made by H. G. L. Strange, director of the research department. Searle Grain Company, Winnipeg. More will be published in subsequent issues and readers are asked to send in similar quotations from their own reading of history.

## Public Borrowers Top Dog in 1932

### Other Classes Needing Capital Had Little Chance to Obtain Money—Canada Supplies 85 Per Cent of Needs

By KENNETH W. TAYLOR

Associate professor of political economy McMaster University

New Canadian capital issues in 1932 totalled $316,122,000. This is 38 per cent less than in 1931, 54 per cent less than in 1930, and a decline of 66 per cent from 1929.

The figures have been compiled for The Financial Post Business Year Book. None of the totals in the following tables include short term borrowings (i.e., one year or less) nor do they include refunding or conversion loans. Issues of investment trust securities are also excluded in order to avoid duplication. The totals are compiled from issue or selling prices and not from nominal or par values.

With a few exceptions, only issues publicly offered, or record of which appears in current financial journals are included. In some cases considerable blocks of securities are sold privately and no record is available until the next annual report of the borrowing corporation appears. Since this practice applies chiefly to the English market, the figures for the current year may considerably understate the sales of new Canadian securities in Great Britain.

**Canadian Capital Issues—1929-1932**

| | 1932<br>$ | 1931<br>$ | 1930<br>$ | 1929<br>$ |
|---|---|---|---|---|
| Govt. and municipal | 291,392,000 | 329,565,000 | 264,847,000 | 201,608,000 |
| Railways | 12,500,000 | 123,925,000 | 119,738,000 | 247,815,000 |
| Public utilities | 7,070,000 | 44,695,000 | 181,393,000 | 145,721,000 |
| Pulp, paper & lumber | ...... | 398,000 | 2,696,000 | 46,981,000 |
| Mining | ...... | 2,295,000 | 30,341,000 | 38,953,000 |
| Metal industries | ...... | ...... | 21,077,000 | 35,778,000 |
| Other industries | 2,080,000 | 2,859,000 | 14,518,000 | 118,837,000 |
| Trading establishments | ...... | 865,000 | 10,755,000 | 52,539,000 |
| Financial institutions | ...... | ...... | 14,146,000 | 30,218,000 |
| Land and buildings | 3,080,000 | 9,351,000 | 21,843,000 | 20,724,000 |
| Total | 316,122,000 | 513,953,000 | 681,354,000 | 939,174,000 |

**Distribution of Canadian Capital Issues, 1932**

| | Sold in Canada | Great Britain | United States | Other Countries |
|---|---|---|---|---|
| Govt. and municipal | 249,687,000 | 14,435,000 | 27,270,000 | ...... |
| Railways | 8,500,000 | 1,000,000 | 2,500,000 | 500,000 |
| Public utilities | 6,070,000 | ...... | 1,000,000 | ...... |
| Pulp, paper & lumber | ...... | ...... | ...... | ...... |
| Mining | ...... | ...... | ...... | ...... |
| Metal industries | ...... | ...... | ...... | ...... |
| Other industries | 2,080,000 | ...... | ...... | ...... |
| Trading establishments | ...... | ...... | ...... | ...... |
| Financial institutions | ...... | ...... | ...... | ...... |
| Land and buildings | 3,080,000 | ...... | ...... | ...... |
| Total | 267,417,000 | 15,435,000 | 30,770,000 | 500,000 |
| Per cent 1932 | 85.2 | 4.9 | 9.7 | 0.2 |
| 1931 | 75.7 | 2.0 | 22.3 | .. |
| 1930 | 58.7 | 3.2 | 38.0 | 0.1 |
| 1929 | 58.4 | 8.6 | 32.6 | 0.4 |

For the first eight months of 1932 the United States market was closed to all foreign issues. Even American domestic issues were very sparingly offered, the 1932 total showing a decline of 84 per cent from the 1929 high. During these months small parts of large Canadian domestic issues were purchased by United States investors, but the total hardly exceeded $5,000,000. The Dominion Government in September sold $60,000,000 of one year notes in New York, but since this was short term borrowing and since it was partly for refunding purposes it is not included here. This loan, however, was an important factor in temporarily relieving the pressure on Canadian exchange.

**Some Recent Borrowing in U. S.**

In the last quarter of the year three moderate sized provincial issues were sold in New York, and it is estimated that United States buyers took about $5,000,000 of the large Dominion loan in November.

Several new issues were sold in the London market. Three provinces and two municipalities sold their first sterling issues since before the war. The reception of these issues was not very encouraging. The London "Economist" reported that of the last of the provincial issues (Alberta, £1,000,000 in June) eighty per cent was left with the underwriters. However, a total of over $15,000,000 was placed in the London market.

Government and municipal borrowings again provided the bulk of the new issues offered, with the provinces supplying the largest share, as the following figures show:

| | Dominion | Provincial | Municipal |
|---|---|---|---|
| 1932 | $ 78,000,000 | $123,000,000 | $ 90,000,000 |
| 1931 | 150,000,000 | 114,000,000 | 65,000,000 |
| 1930 | 100,000,000 | 82,000,000 | 82,000,000 |
| 1929 | ...... | 103,000,000 | 98,000,000 |

The almost complete cessation of capital works on the railroads is reflected in railway borrowings, and industrial issues almost reached the vanishing point. Shawinigan and Consumers' Gas Co. were the only public utility offerings. Six small issues are included in the $2,000,000 of "Other Industries." The Land and Buildings group is composed entirely of Quebec institutional offerings.

**Few Industrial Offerings in Year**

The almost complete stagnation of industry is illustrated by the following table of industrial offerings in the past four years:

| | |
|---|---|
| 1932 | $ 9,000,000 |
| 1931 | 50,000,000 |
| 1930 | 274,000,000 |
| 1929 | 470,000,000 |

As in 1931 financing was almost entirely through bond issues. Stock issues in 1932 totalled $2,800,000 as against $5,500,000 in 1931, and $400,000,000 in 1929.

## Car Financing Off 37.8% From 1931 in November

Automobile financing compiled by the Dominion Bureau of Statistics showed a decrease in November, 1932, as compared with October, 1932 and with November, 1931. The decline amounts to 37.8 per cent from the 1931 month, according to the Dominion Bureau of Statistics.

The total number of cars financed was 4,286 in November, 1932, 4,361 in October, 1932, and 5,162 in November, 1931; and the amount involved was $1,334,307 in November, 1932, $1,583,215 in October, 1932, and $2,145,593 in November, 1931.

New cars financed were 1,166 in November, 1932, 1,259 in October, 1932, and 1,303 in November, 1931; while used cars financed were 3,120 in November, 1932, 3,102 in October, 1932, and 3,859 in November, 1931.

Financing of new cars amounted to $538,264 in November, 1932, $719,787 in October, 1932, and $980,252 in November, 1931. Financing of used cars amounted to $796,043 in November, 1932, $863,428 in October, 1932, and $1,165,341 in November, 1931.

**Montreal Books Large Conventions**

According to estimates of the Montreal Tourist and Convention Bureau about 10,475 persons are already planning to come to Montreal during the present year as delegates to various conventions. About a score of organizations have so far booked their reservations, according to Geo. A. Grafftey, manager of the Montreal Tourist and Convention Bureau.

## Other People's Views

**Currency Inflation**

Huntsville Forester. — Miss Macphail is an able lieutenant of Mr. Woodsworth in advancing the political theories of the new C. C. F. She has, without reserve, endorsed the advocacy of the inflation of Canadian currency, which is a pet theory of the new organization. All sorts of benefits to Canada, and particularly to the primary producers, is foreshadowed, if this country will depreciate her currency,—or in other words "inflate" it,—which in reality means the use of the printing press to produce an additional volume of money circulation.

It goes without saying that a subject so complicated and technically intricate, is one for experts to settle. What does the average man on the street know about the pros and cons of currency inflation?

It is always one of the dangers in a time of panic that some drastic policy will gain favor which may prove disastrous under a return to normal conditions. Canada's position is desperate enough but we cannot afford to undermine the safe foundations of our economic structure with untried and unproved theories which may work havoc and disaster.

**Limits of Taxation**

Manitoba Free Press. — Premier Taschereau has announced that in Quebec's struggle with financial situation of the province there will be no resort to additional taxation. The Montreal Gazette, commending Mr. Taschereau's action, says:

"The Quebec Government is giving a lead to all other administrations and if these follow suit it will be to their advantage and to that af the people to whom they are responsible So far as the province itself is concerned, the course outlined by the premier has a direct significance. It should not be necessary to tell the municipalities of Quebec that there cannot be one rule for them and another for the government. If the provincial administration proposes cutting its coat according to its cloth, the municipalities must do likewise. It is, or should be, obvious that, in carrying out his programme of economy in order that the public may be safeguarded against increased taxation, Mr. Taschereau will be in no position to consider new appeals from municipal or other sources involving additional financial commitments."

There have also been intimations unofficial in character from Ottawa that the Dominion Government, which is facing a very serious financial situation, is not planning additional taxation. Other governments, unofficial or otherwise, are no doubt equally aware that recourse to additional taxation, except in very limited fields, is closed to them. The game of taxation has had to be played out rigorously to the bitter end before governments could bring themselves to face the fact that there are definite limits to the taxable capacity of the people; and that to overstep this limit is to invite the operation of the iron law of "diminishing returns."

**Education in Banking**

Calgary Herald. — The Montreal Star believes that Canadian bankers are making a serious mistake in maintaining a policy of silence in the face of the storm of criticism, much of it crude and ill-informed, to which they are being exposed. "Even a tyro," it says, "ought to know that banks are eager to make loans which entail no risks, but he will not know it unless the bankers explain the basis on which loans are made."

This is the day of the amateur theorist and the agitator because they have a receptive audience for even the most extraordinary proposals. Inflation, deflation, bi-metalism and all the other short cuts to nowhere have their advocates, and if better informed men keep silence these causes will gain adherents. The Star believes the bankers and other leaders should lay down a barrage of cold facts to offset the visionaries. The highly imperfect system under which we are working is after all the result of the evolution of trade, production, exchange and finance through the centuries. It is the net outcome of countless applications of trial and error. Most of the "pink" short cuts which are proposed have already been tried and found lacking. For instance, the inflationists are saying nothing which was not better said by even the egregious Bryan.

## PROPOSE SURVEY OF MOIRS AFFAIRS BY COMMITTEE

### Protective Body States Full Co-operation is Assured

From Our Own Correspondent

MONTREAL.—A full investigation into the situation surrounding Moirs Ltd., and a meeting of bondholders is planned by the protective committee if sufficient amount of bonds is deposited with the Montreal Trust Co. according to a circular issued by the committee to holders of the $1,553,000, 6½ per cent first mortgage bonds on which interest due January 1 has not been paid. The company has stated that payment will be deferred at least until March 1.

Moirs has signified its readiness to place at the committee's disposal its books and records and to furnish it with full information as to past and present position and estimates of future business and sales. The committee points out that such procedure will enable it more quickly to decide on proper steps to be taken in the interests of bondholders.

**Stresses Prompt Action**

Stressing the need of prompt action, the letter from the protective committee continues in part:

"The prolonged period of business depression has apparently brought about a great contraction in the volume of this company's sales during the past two years and coupled with the substantial drop in prices, has caused gross income to fall very much more rapidly than operating expenses and overhead. This has resulted in a very considerable decline in the net current assets and raises the question at once whether the current assets position can stand the drain of bond interest and sinking fund payments without prejudicing the future operations of the company.

"At the request of a number of bondholders and in view of desirability of prompt action we have agreed to act as a bondholders protective committee and to ask bondholders to co-operate with us in an endeavor to study the situation and take such action as may be deemed necessary to safeguard the interests of the bondholders.

"On one point at least we are satisfied, that this great industry is capable in anything like normal times of earning satisfactory profits. This has been demonstrated over long periods in the past."

## TRUTH NOW TOLD RE CAPE BRETON STREET RAILWAY

### Story of Success Under Employee Ownership Omitted Pertinent Facts

Winnipeg Electric has done a neat job of debunking the story of how Cape Breton Tramways employees took the company out of bankruptcy and made a success of it. The newspaper stories also said all over Canada that the men had given themselves a 10 per cent increase in wages, and that this was one of the few companies to make a profit.

The results of the Winnipeg Electric investigation are set forth in the Winnipeg Electric Public Service News as follows:

**Exempt From Taxes**

(1) There are 32 employees.

(2) The street railway, except for a small local tax, is exempt from taxation, pays no paving charges and does not pay for snow removal.

(3) The street railway operators were getting 51 cents an hour when the original company went bankrupt. When the men took the system over wages were cut to 41 cents and recently, "though conditions didn't warrant it" the president stated, the wages were increased to 45c, which is still over 10 per cent less than they were getting before they took the property over. Winnipeg operators get 58c per hour.

(4) In 1931 they operated 236,000 car miles. Winnipeg's system covers that mileage every nine days.

**Bought for $5,000**

(5) They have a total investment of $5,000, being the amount they paid for 11 passenger cars and 5 other cars.

(6) They use the tracks and other property which cost the liquidated company $600,000 under a lease at a nominal rental sufficient to pay fire insurance and taxes.

The president of the company—himself a worker on the system—said, when commenting on this newspaper report: "An absolute falsehood and fabrication."

President McDonald said he had a fairly good idea of the source from whence the story came and that the purpose was to injure rather than assist the company.

# *Current Events in Banking World*

## SHARE EARNINGS PROVINCIAL BANK $11.37 IN 1932

### Provision of $100,000 for Contingencies Cut Surplus

Earnings of $11.37 a share were given by the Provincial Bank of Canada in its fiscal year ended Nov. 30, 1932, before deduction of appropriations for bank premises and taxes. This compares with $11.69 on the same basis in 1931.

Earnings, after deduction of these two items from the income and surplus account, were $8.83 a share in 1932 compared with $9.09 a share in 1931. Dividends per share paid during the year amounted to $8.75. After a provision for contingencies of $100,000, surplus was reduced to $369,920 compared with $466,861 at the end of the 1931 fiscal year.

**Current Loans Down**

The chief changes in the asset side of the balance sheet were in current loans, which were reduced by nearly $3,000,000, and in holdings of securities. Public security holdings were down $1,000,000 and railway securities and Government securities also showed declines. A reduction of over $1,000,000 was shown in Canadian call loans.

Despite the special issues of notes made by the Government to banks early in November, the advances from the Dominion under the Finance Act, at $1,800,000, were lower than at the end of the 1931 fiscal year by $200,000, among the liabilities. Total of savings and demand deposits were reduced by over $4,400,000 during 1932. The income and surplus account and the balance sheet, as drawn up by The Financial Post from the complete statement of the bank, are as follows:

**Income and Surplus Account**
**For Years Ended Nov. 30**

| | 1932 | 1931 |
|---|---|---|
| | $ | $ |
| Net profit* | 454,659 | 467,489 |
| Less appropriations: | | |
| Dividends | 350,000 | 360,000 |
| Premises | 40,000 | 40,000 |
| Reserve for taxes | 61,600 | 63,761 |
| Surplus for year | 3,059 | 3,678 |
| Add: Previous surplus | 466,861 | 463,183 |
| Less: Prov. for conting. | 100,000 | ..... |
| Balance carr. forward | 369,920 | 466,861 |

*After deducting charges of management, providing for all bad and doubtful debts, interest due depositors and rebates on current discounts.

**GENERAL STATEMENT AS AT NOV. 30**
**Immediately Available Liquid Resources**

| Assets | 1932 | 1931 |
|---|---|---|
| | $ | $ |
| Specie | 250,632 | 239,472 |
| Dominion notes | 2,021,188 | 2,069,724 |
| Due by for. banks | 90,015 | 44,889 |
| Foreign currency | 6,641 | 31,340 |
| Dom. & prov. govt. secs.† | 8,882,072 | 9,149,566 |
| | 11,250,548 | 11,534,991 |
| **Loans and Securities Other Than Those of Canadian Government** | | |
| Public securities† | 4,514,901 | 5,598,721 |
| Rwly. & other secs.† | 3,361,101 | 3,728,626 |
| Can. call loans | 4,738,598 | 5,861,873 |
| Current loans*‡ | 17,015,542 | 19,882,809 |
| | 29,630,142 | 35,072,029 |
| **Due from Other Banks** | | |
| Notes of other banks | 427,615 | 635,365 |
| Cheques of other bks. | 1,264,629 | 1,840,965 |
| Due by oth. Can. bks. | 913,946 | 418,611 |
| | 2,606,190 | 2,894,941 |
| **Other Assets** | | |
| Non-curr. loans‡ | 148,636 | 152,905 |
| Real estate | 590,477 | 438,647 |
| Mortgages | 381,915 | 496,402 |
| Letters of credit | 14,820 | 15,759 |
| Bank premises | 2,170,818 | 2,189,889 |
| Deposit re circ. fund | 197,600 | 198,500 |
| Other assets | 210,180 | 222,706 |
| | 3,714,391 | 3,714,308 |
| | 47,201,271 | 53,216,269 |
| **Liabilities** | | |
| **To the Public** | | |
| Circulation | 3,316,854 | 3,903,441 |
| Adv. under Fin Act | 1,800,000 | 2,000,000 |
| Due Dom. Govt. | 807,739 | 1,439,400 |
| Due Prov. Govt. | | 43,230 |
| Deposits by public: | | |
| Demand dep. | 3,738,114 | 4,983,313 |
| Savings dep. | 31,558,519 | 34,698,414 |
| To banks abroad, etc.: | | |
| Foreign banks | 14,833 | 26,844 |
| Lets. of credit | 14,820 | 15,759 |
| Other liabs. | 527 | 44,341 |
| | 41,246,406 | 47,154,742 |
| **To the Shareholders** | | |
| Dividends, etc. | 84,945 | 94,666 |
| Reserve | 1,500,000 | 1,500,000 |
| Capital | 4,000,000 | 4,000,000 |
| Surplus | 369,920 | 466,861 |
| | 5,954,865 | 6,061,527 |
| | 47,201,271 | 53,216,269 |

*After rebate of interest not stated in 1932; amounting to $64,178 in 1931.
†Not exceeding market value.
‡After provision for bad and doubtful debts.

## *Foreign Exchange*

A GENERAL demonstration of further strength was given by the Canadian dollar in the week ended Jan. 9, 1933. The close at 88 13/16 cents in New York on that date was ⅝ cents higher than the close at Dec. 31, 1932, and marked the seventh consecutive week in which a gain in the United States quotation was recorded.

If the present trend continues, the price of Canadian dollars in New York will soon be approaching the recent high of nearly 93 cents reached last October, but such a development is problematical. So many elements enter into the exchange market, including the psychological factor, that it is impossible to determine the trend in advance.

* * *

STERLING continued to show strength in New York and in Canada. The advance in Canada for the week ended Jan. 9 was only one cent in the pound, but the rise in New York was nearly two cents, and this development may indicate a beginning of a divergence from the seemingly sympathetic relationship which has existed between the British and Canadian units in New York for over two months.

**FOREIGN EXCHANGE**
**New York Funds**

| | High (Premium) | Low | Last Year High (Premium) | Last Year Low |
|---|---|---|---|---|
| | % | % | % | % |
| Jan. 3 | 13 3-16 | 12 3-8 | 20 | 18 |
| Jan. 4 | 13 | 12 5-8 | 18 1-2 | 18 |
| Jan. 5 | 12 3-4 | 12 1-2 | 19 | 18 1-2 |
| Jan. 6 | 13 1-16 | 12 3-4 | 18 3-8 | 18 |
| Jan. 7 | 12 7-8 | 12 5-8 | 18 3-8 | 17 7-8 |
| Jan. 9 | 12 5-8 | 12 1-4 | 18 5-8 | 18 1-4 |

**STERLING, FRANCS AND LIRE**
**Close Demand in New York**

| | Sterling | Francs | Lire |
|---|---|---|---|
| Jan. 3 | 3.33 5-8 | 3.90 1-4 | 5.11 1-2 |
| Jan. 4 | 3.33 9-16 | 3.90 5-16 | 5.11 5-8 |
| Jan. 5 | 3.34 | 3.90 13-16 | 5.11 5-8 |
| Jan. 6 | 3.34 1-2 | 3.90 3-8 | 5.11 5-8 |
| Jan. 7 | 3.34 3-16 | 3.90 5-16 | 5.11 5-8 |
| Jan. 9 | 3.34 7-8 | 3.90 1-4 | 5.11 1-2 |

**Close Demand in Toronto**

| Par | | Dec. 24 | Dec. 31 | Jan. 9 |
|---|---|---|---|---|
| 5.26 | Italian | 5.83¼ | 5.78 | 5.75½ |
| 23.80 | German | 27.14 | 26.91½ | 26.73 |
| 13.90 | Belgian | 15.76 | 15.62 | 15.57 |
| 49.80 | Japanese | 24.51 | 23.73 | 23.44 |

## Bank Security Holdings Again Hit Record High

### $551,158,212 Held By Banks at Nov. 30, Exceeding Former Record By Over $35,621,601 — First Showing of $35,000,000 Note Advances

Increases of over $35,000,000 in holdings of Dominion Government securities and nearly $41,000,000 in holdings of Dominion notes are the features of the asset side of the return of chartered banks as at Nov. 30, 1932, as reported by the Minister of Finance. Holdings of Dominion securities stood at the record total of $551,158,212. These items are more than offset by an increase of nearly $61,000,000 in liabilities to the Dominion Government and of over $37,000,000 in advances from the Dominion Government on the liabilities side of the statement. These unusually large changes in the statement include and reflect the advances of $35,000,000 made by the Government to the banks, in the form of Dominion notes, early in November.

Despite the declared policy of the Government and the banks to aid in increasing the amount of money available for good credits, trade and commerce does not seem to have taken advantage of the policy, as current loans show a decline of $18,812,931 for November. Call loans in Canada and current loans abroad show declines too, the amounts being over $9,000,000 and $5,000,000 respectively. Call loans abroad, however, were up by nearly $12,000,000 in the month.

**Specie Holdings Up**

Large increases were recorded in the banks' holdings of specie, which were up over $21,000,000, and balances due by foreign banks, up nearly $41,000,000. These changes were chiefly responsible for an increase of $148,532,571 in the banks' immediately available liquid resources during November.

While holdings of Dominion notes rose by the large total indicated above, the circulation of notes of the banks declined by $7,979,631 in November. Liabilities to provincial governments were down by $9,373,434 in the month.

A decline of $21,116,761 in non-interest bearing deposits was shown in November, but this was partially offset by an increase of $8,109,586 in interest bearing deposits during the same period. This may be a reflection of the pre-Christmas seasonal trend, during which period retailers and manufacturers lay out funds for merchandise and the public accumulates money for holiday shopping. Deposits in foreign branches of Canadian banks rose by the large total of $24,607,481 in November, and were $28,909,843 greater than at Nov. 30, 1932. This may be considered indicative of the faith of foreign depositors in these Canadian institutions and the expansion of the banks' business abroad.

The Financial Post credit index of the Canadian banks, a ratio of total call and current loans to total demand and savings deposits in Canada, declined rather sharply to 59.8 per cent, compared with 60.9 per cent in October, 1932, and 62.5 per cent at Nov. 30, 1931.

The bank statement, as drawn up by The Financial Post from the figures of the Minister of Finance, is as follows:

**ASSETS**
**Immediately Available Liquid Resources**

| | Nov., 1932 | Oct., 1932 | Change | Nov., 1931 | Change |
|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ |
| Specie | 76,125,201 | 55,030,726 | +21,094,475 | 87,610,799 | —11,485,598 |
| Dom. notes | 163,503,374 | 122,508,159 | +40,995,215 | 153,647,679 | +9,855,695 |
| Gold reserve | 18,881,732 | 21,381,732 | —2,500,000 | 25,380,866 | —6,499,134 |
| Foreign banks | 155,096,328 | 114,103,673 | +40,992,655 | 94,729,460 | +60,366,868 |
| Foreign curr. | 18,746,452 | 18,258,007 | +488,445 | 19,115,744 | —369,292 |
| Govt. secs. | 551,158,212 | 515,536,611 | +35,621,601 | 507,763,726 | +43,394,486 |
| Call loans ab'd. | 99,367,750 | 87,527,570 | +11,840,180 | 112,746,901 | —13,379,151 |
| | 1,082,879,049 | 934,346,478 | +148,532,571 | 1,000,995,175 | +81,883,874 |
| **Loans and Securities Other Than Those of Canadian Government** | | | | | |
| Public secs. | 159,602,906 | 159,630,442 | —27,536 | 155,122,880 | +4,480,026 |
| Railway secs. | 48,714,974 | 51,761,359 | —3,046,385 | 56,603,050 | —7,888,076 |
| Can. call loans | 107,611,041 | 117,209,722 | —9,598,681 | 156,896,490 | —49,285,449 |
| Current loans | 998,934,028 | 1,017,746,959 | —18,812,931 | 1,102,493,179 | —103,559,151 |
| Loans abroad | 153,561,471 | 159,039,913 | —5,478,442 | 183,745,752 | —30,184,281 |
| Prov. loans | 34,204,072 | 34,252,187 | —48,115 | 42,049,351 | —7,845,279 |
| Mun. loans | 107,035,297 | 109,213,441 | —2,178,144 | 118,132,172 | —11,096,875 |
| | 1,609,663,789 | 1,648,854,023 | —39,190,234 | 1,815,042,874 | —205,379,085 |
| **Other Assets** | | | | | |
| Non-curr. loans | 13,363,328 | 13,455,921 | —92,593 | 10,893,742 | +2,469,586 |
| Real estate | 7,452,807 | 7,610,203 | —157,396 | 6,421,626 | +1,031,181 |
| Mortgages | 6,385,758 | 6,549,360 | —163,602 | 6,218,383 | +167,375 |
| Premises | 78,781,267 | 79,586,569 | —805,302 | 79,852,150 | —1,070,883 |
| Lets. of credit | 47,539,550 | 47,275,804 | +263,746 | 58,942,809 | —11,403,259 |
| Loans to comp. | 13,362,699 | 13,040,088 | +322,611 | 14,378,759 | —1,016,060 |
| Other assets | 1,541,791 | 1,559,384 | —17,593 | 1,723,446 | —181,655 |
| | 168,427,200 | 169,077,329 | —650,129 | 178,430,915 | —10,003,715 |
| Total | 2,860,970,038 | 2,752,277,830 | +108,692,208 | 2,994,468,964 | —133,498,926 |
| Note cir. dep. | 6,595,814 | 6,597,825 | —2,011 | 6,814,809 | —218,995 |
| Int. bank bal. | 92,341,121 | 116,280,126 | —23,939,005 | 131,746,695 | —39,405,574 |
| Gross | 2,959,906,973 | 2,875,155,781 | +84,751,192 | 3,133,030,468 | —173,123,495 |
| **LIABILITIES** | | | | | |
| **To the Public** | | | | | |
| Circulation | 125,047,564 | 133,027,195 | —7,979,631 | 145,533,231 | —20,485,667 |
| Dom. Govt. | 105,754,782 | 44,757,798 | +60,996,984 | 113,113,060 | —7,358,278 |
| Prov. Govt. | 31,325,641 | 40,699,075 | —9,373,434 | 18,081,259 | +13,244,382 |
| Govt. advances | 65,144,000 | 27,500,000 | +37,644,000 | 66,000,000 | —856,000 |
| **Deposits By Public** | | | | | |
| Demand dep. | 472,168,030 | 493,284,841 | —21,116,761 | 617,038,655 | —144,870,575 |
| Savings dep. | 1,378,663,124 | 1,370,553,538 | +8,109,586 | 1,395,829,124 | —17,166,000 |
| Total | 1,850,831,204 | 1,863,838,379 | —13,007,175 | 2,012,867,779 | —162,036,575 |
| Foreign dep. | 349,118,042 | 324,510,561 | +24,607,481 | 320,208,199 | +28,909,843 |
| **Due to Banks Abroad, Etc.** | | | | | |
| Un. Kingdom | 4,510,746 | 4,539,904 | —29,158 | 5,741,705 | —1,230,959 |
| Foreign | 51,048,541 | 46,523,375 | +4,525,166 | 55,365,871 | —4,317,330 |
| Bills payable | 796,072 | 1,220,360 | —424,288 | 3,596,118 | —2,800,046 |
| Lets. of credit | 47,539,550 | 47,275,804 | +263,746 | 58,942,809 | —11,403,259 |
| Other liab. | 2,452,732 | 2,128,596 | +324,136 | 3,127,455 | —674,723 |
| Public liab. | 2,633,568,874 | 2,536,021,047 | +97,547,827 | 2,802,577,486 | —169,008,612 |
| Due bet. banks | 10,265,987 | 11,292,090 | —1,026,103 | 10,056,036 | +209,951 |
| **Liability to Shareholders** | | | | | |
| Dividends | 2,988,225 | 1,157,432 | +1,830,793 | 3,516,055 | —527,830 |
| Reserve | 162,000,000 | 162,000,000 | ........ | 162,000,000 | ........ |
| Capital | 144,500,000 | 144,500,000 | ........ | 144,500,000 | ........ |
| Gross | 2,953,323,086 | 2,854,970,569 | +98,352,517 | 3,122,649,577 | —169,326,491 |
| Credit index | 59.8% | 60.9% | —1.1% | 62.5% | —2.7% |

*Ratio of current and call loans in Canada to demand and savings in deposits in Canada

## Bank Chat

The Canadian Bank of Commerce has made the following changes in staff appointments:

D. W. PALMER to be accountant at Kingston, Ont.

P. W. D. BRODERICK, formerly accountant at Kingston, Ont., to be accountant at Port of Spain, Trinidad.

MORRIS A. MUNRO, formerly accountant at Oshawa, Ont., to be a member of the Ontario inspectors staff.

WILLIAM P. SLOAN, formerly manager at Winnipeg of the Northern Crown Bank's main office in that city, died on Dec. 29, 1932, at his residence in Winnipeg.

**Say It With Flowers**

In a Midwest city in the United States a run developed on the downtown banks. They had funds to meet it, and were determined to show how sure they were of their position, according to a recent story.

So the bank paid off with a flourish. One of the directors, a florist, sent down a thousand carnations, one for each customer who demanded his money, as a token of goodwill.

The customers were pleased. The carnation was a sign that one more person had got their money from the bank. Then three carnation carriers were slugged and robbed. "Saying it with flowers" is now taboo around that bank.

## Weekly Bank Clearings

| Eastern Cities | Jan. 7, 1932 | Jan. 5, 1933 |
|---|---|---|
| Halifax | $ 2,812,170 | $ 2,246,054 |
| Saint John | 1,928,019 | 1,518,181 |
| Moncton | 871,102 | 720,488 |
| Sherbrooke | 560,129 | 571,465 |
| Quebec | 4,639,640 | 4,241,964 |
| Ottawa | 6,068,827 | 3,815,403 |
| Montreal | 75,636,800 | 77,868,137 |
| Kingston | 770,909 | 604,870 |
| Peterborough | 908,824 | 632,145 |
| Toronto | 89,487,661 | 89,003,828 |
| Hamilton | 4,495,172 | 3,524,136 |
| Kitchener | 1,209,276 | 850,[illegible] |
| Brantford | 992,655 | 903,176 |
| London | 3,749,931 | 2,787,374 |
| Chatham | 484,745 | 505,385 |
| Windsor | 2,756,087 | 2,545,479 |
| Sarnia | 561,043 | 417,634 |
| Sudbury | 537,765 | 411,870 |
| **Western Cities** | **Jan. 7, 1932** | **Jan. 5, 1933** |
| Fort William | $ 648,652 | $ 477,141 |
| Winnipeg | 43,626,681 | 37,318,098 |
| Brandon | 379,043 | 295,701 |
| Moose Jaw | 869,590 | 1,028,169 |
| Regina | 4,358,240 | 4,412,461 |
| Saskatoon | 1,971,325 | ....... |
| Prince Albert | 397,733 | 281,375 |
| Edmonton | 4,796,169 | 3,481,017 |
| Calgary | 5,267,678 | 4,109,398 |
| Medicine Hat | 220,959 | 160,201 |
| Lethbridge | 348,359 | 229,289 |
| Vancouver | 13,372,428 | 11,343,854 |
| New Westminster | 575,318 | 482,186 |
| Victoria | 1,754,043 | 1,139,913 |

## CANADIAN FOR'N INVESTMENT CORP. PAYS DIVIDEND

### Disbursements Are Resumed on Preferred at Regular Rate

From Our Own Correspondent

MONTREAL.—Canadian Foreign Investment Corp. has resumed dividend payments on its preferred stock after a lapse of one year. Directors met recently and announced a disbursement of 2 per cent for the quarter ended March 31, 1933, payable January 18. The last payment made was a dividend of 2 per cent on February 1, 1932; at that time dividends were not in arrears.

The company controls a cement company in Brazil and exchange difficulties have been responsible in part for the variation recorded in dividend payments in the past three years. Following earlier lapses, payments of 16 per cent were made in both 1928 and 1929 on the 8 per cent preferred, wiping out all arrears. In the following year a disbursement of $6 was made only to be followed by $10 in 1931. No payment has been made since February last so dividends are now 6 per cent in arrears.

**Earned Dividend in 1931**

In 1931 earnings were equal to $15.10 a share on the preferred. In the first five months of 1932 business was well maintained and the plant in Brazil operated at capacity. The exchange situation was unsatisfactory and though the Brazilian company had more than sufficient cash on hand to liquidate its entire indebtedness to the holding company at that time it had not been able to arrange for its remittance.

Senior to the $827,000 of preferred stock Canadian Foreign Investment Corp. has outstanding $827,000 of 7 per cent collateral trust bonds and there are also 73,416 shares of no par value common issued. No payments have been made on the latter stock.

**Manitoba's Mineral Production**

The output of Manitoba's mineral producing industries, including cement, gypsum, brick and tile, lime, sand and gravel, stone, gold, copper and other metallics, for the year 1931, was $15,122,432. There are 51 firms in this group.

### New Superintendent

J. E. LEDUC

Recently appointed general superintendent of the Provincial Bank of Canada after serving with that institution as branch manager in Ontario and Quebec since 1908.

## Montreal Bank Cuts Salaries 2½ Per Cent

Bank of Montreal has reduced its general salary scale 2½ per cent, it is understood. This small reduction is in keeping with the trend that has been noticeable in industry and commerce for some time and, it is thought, may be followed by similar action by other banks.

Some reductions in living allowances have already been made by several Canadian banks, and it is understood that salaries have also been reduced in certain instances. Information as to the exact nature of the changes is lacking, however. The changes in living allowances, which are dependent largely on the place of residence of the employee, have been made in accordance with the lower cost of living.

**Allowances Adjustable**

It is probably more convenient for the banks to make salary adjustments through their living allowances because this is an elastic feature of the scale of remuneration in any event. Employees in smaller towns and cities are generally not granted the extra allowance that goes with positions in larger centres. Employees living in foreign countries, in New York for example, may be granted additional allowances, depending on the cost of living in the individual places.

Not only does the policy as to living allowances vary for different places, but it also varies between banks. Banks which have relatively larger living allowances and relatively smaller salaries have probably a more elastic plan of payment than those which base wages largely on salary. It is always more difficult to adjust such seemingly more fixed stipends than the variable allowances.

**Penny Bank Director**

W. S. Byers, of Niagara Falls, Ont., was elected a director of the Penny Bank of Ontario, at the recent annual meeting of the bank. The annual report showed that school-children of the province had $1,392,195 on deposit, compared with $1,412,177 a year ago. Of the total, $1,055,296, or over 75 per cent, is invested by the bank in municipal and government bonds.

## OCEAN PASSENGERS IN HEAVY DECLINE

### Transatlantic Westbound Sailings Cause of Decrease

Although the eastbound passenger traffic from Montreal was greater in 1932 than in the previous year, the total number of passengers carried by transatlantic liners calling at Montreal declined from 89,200 to 78,490, a drop of 12 per cent. Eastbound traffic increased from 48,328 to 52,302, indicating an efflux of former immigrants to this country returning to Europe owing to the lack of employment in Canada.

Westbound traffic, however, made a very unfavorable showing only 26,188 passengers being landed in Montreal by the transatlantic steamship lines compared with 40,872 in 1931 and 48,008 in 1930.

Canadian National Steamships experienced the best year in its history, so far as passenger traffic out of Montreal is concerned, carrying a total of 2,094 passengers north and southbound between Montreal, Bermuda, the Bahamas and Jamaica. Of these 1,069 embarked for the trip south and 1,025 landed in Montreal. The respective figures for 1931 were 912 northbound and 1,002 southbound, while in 1930 they were 1,064 northbound and 935 southbound.

The coastal passenger trade between Montreal and Newfoundland and Lower St. Lawrence ports showed little change last season from the previous year, the respective carryings by the Clarke Steamship Company and the Furness Red Cross Line being 4,872 in 1932 and 5,300 in 1931. In 1930, the total carryings were 3,163 passengers. Inward totals by the Clarke Steamship Company were 1,731, and outward totals were 1,783. The Furness Red Cross Line figures were 619 inward and 739 outward, a slight increase being evident in both instances.

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# *Insurance for Buyer and Seller*

## HIGHER PREMIUMS FOR BANK ROBBERY NOT ANTICIPATED

### Jump in Insurance Rates in U. S. A. Not Expected to be Felt Here

### OPEN RATES UP

### First Result of Detailed Statistical Study of Burglary Groups Now in Force

Bank robbers apparently have had less success in their operations in Canada than in the United States in the last two or three years, judging from the attitude of companies insuring this class of risk in both countries. Recent upward revisions of rates for insurance against bank robbery in the United States are not applicable in Canada, because of the satisfactory record of this class of business in this country, The Financial Post learns.

The success of Canadian police in preventing robberies and apprehending bank robbers has played a large part in this successful record, according to insurance officials. While the success of such depredations has increased in the United States, no such trend has been in evidence in Canada. In addition the police in this country have been able to recover substantial amounts from the guilty parties in many cases.

**No Increase Expected**

One official of a company writing substantial robbery risks for Canadian banks states that he is not worried at all about the possibility of an increase in losses in Canada through this business. This should be welcome news to bank tellers and managers, who, after all, have to face the music—or the gun—in such robberies.

Higher rates are now being charged in the United States for bank robbery insurance up to the first $10,000, as might be considered reasonable. For the first time, a deductible provision is provided at a lower premium, if the insured is willing to stand this first $10,000 of any loss. One of the reasons for this is that small town banks seem to have been particularly vulnerable to robberies, and that in such cases the loss does not usually run into large figures.

**Domestic Burglary**

Similar conditions prevail as far as domestic burglary insurance in Canada is concerned. In the last three years rates have actually been lowered although full advantage of this has probably not been taken by the public. Whereas it cost $25 for three years' coverage up to $1,000 on such domestic theft or robbery in 1929, it now costs only $20 with a much larger proportionate allowance for cash stolen. As there are probably six robberies or burglaries for every fire, there should be good possibilities for developing this type of business.

Recent revision of the Canadian Casualty Underwriters' Association's manual on burglary insurance apply only to the mercantile "open stock" and "safe" sections of the rate schedule, The Financial Post is informed. There has been an increase in this type of burglary, due not only to the unemployment, but also to depressed business conditions which have resulted in many vacancies. Such vacancies or closings have given burglars an opportunity to conduct their operations unobserved, and have added to insurance losses in some types of establishments.

**Re-classifying Risks**

The latest revision which came into force Dec. 1, 1932, was rather an attempt to place the most hazardous forms of risk in the higher cost insurance bracket and vice versa, rather than to raise rates generally, The Financial Post is informed. A statistical bureau is now being operated in an effort to determine where the greatest risk in this type of business lies, so that rates can later be adjusted accordingly. It is thought that present experience of this type in Canada is somewhat too meager to allow definite conclusions to be drawn, and that it will be two or three years before the full benefit of this costly statistical study can be used in rate making.

**Steal Quality Goods**

It appears from observations made so far that the type of goods most wanted by burglars is high class merchandise which lends itself to easy transportation. In altering the manual it was decided, for instance, that furriers had generally suffered more than some other classes of risks and that they should be handled with greater care by underwriters. Their goods are much more attractive to the burglar than those of the average clothier, because furs have less bulk and much greater value for weight. This is the type of information that the C. C. U. A. is seeking in order to further revise its mercantile burglary rates.

As in life insurance with the increase in expectancy of life, so in such fields as burglary insurance; better methods of protection and better classification and selection of risks appear to lead the insurance companies to give the public more value for their money. This is evidenced in the case of the domestic burglary policy mentioned above, and is expected to show in reduced rates on certain classes of mercantile risks when the C. C. U. A has gathered sufficient data to rearrange the rates.

## 1932 Valuations Now Announced By Finlayson

Without customary preliminary warning, insurance and trust and loan companies in Canada received this week the 350-page manual giving detailed information of valuations to be allowed this year by the federal insurance department at Ottawa.

According to the introduction in the front of the book, the basis of valuation to be allowed by the federal government is virtually the same as that decided upon by joint representatives of the insurance commissioners of the United States and the provincial insurance superintendent of Canada. That is, an average valuation basis has been agreed upon which allows the bulk of securities to be taken in at the "authorized" values allowed as at the end of 1931.

This basis has been used because it represents what is considered an "average" basis of valuation as opposed to the distorted valuation of investments which would occur if the current market value of securities as at the end of the year were to be used.

The only technical difference in the wording of the federal valuation as opposed to the provincial and United States state plan is in regard to securities in default. However according to officials of two leading Canadian companies an actual computation of their assets under the two different bases of calculation reveals differences of only a few thousands of dollars in each case on a valuation of several hundreds of millions of dollars of securities.

## Insurance Inklings

ADRIEN DesROSIERS, assistant manager of the Great-West Life Assurance Co. for the Province of Quebec, retired on December 31 after being with the company for 34 years.

FRANK L. PEARCE, formerly in charge of the policy record department of the Sun Life Assurance Co. in Montreal, died on Jan. 2, 1933.

J. A. ALLARIE, assistant manager of the Mutual Fire Insurance Co. in St. Hyacinthe, Que., died on Jan. 2, 1933.

J. J. McSWEENEY, Ottawa manager of the London Life Insurance Co. and C. D. CARR, manager of the Danforth, Toronto, branch of the same company, "hit the headlines" in the London Free Press with the following: "Loser of Wager Pushes Winner in Wheelbarrow Along Wellington Street." Mr. Carr was the loser.

**Ontario Equitable Life & Accident Insurance Co.**, in a letter to shareholders giving notice of the annual meeting to be held on Feb. 6, states the company has improved its position during the past year.

**Great-West Life Assurance Co.** announces an extension of its retirement annuity service under a plan calling for a monthly premium.

### B. R. T. Adopt Age Scale For Life Insurance Policies

Brotherhood of Railway Trainmen has fallen into line with other life insurance companies and in future no life insurance will be sold on a flat rate, but according to age. It is understood that this step was necessary as funds in the beneficiary department have fallen to under $6,000,000, and in addition an extra levy will be assessed to policyholders.

The Brotherhood denies the claims of some of the older insurers that the move from a flat rate to a graduated scale is being made in order to freeze out some of the older men, explaining that the flat rate simply was not good business.

### New Casualty Company Formed in Vancouver

British Columbia General Insurance Co. has been formed under a provincial charter to engage in fire, accident and casualty insurance. Paid-up capital amounts to about $100,000, contributed principally by shareholders within the province. Head office of the company is at 605 Randall Building, Vancouver.

The new company has the backing of the same business interests who founded the Columbia Life Insurance Co. a few years ago, whose business was taken over by the Great-West Life Assurance Co.

**Speed Canned Fruit Output**

The production of canned fruits and vegetables in British Columbia has increased by 98 per cent during the period of 1923-31, according to a report of the Vancouver Board of Trade.

## OLD AGE PENSION MEETS APPROVAL OF QUEBEC BOARD

### Minority Report Favors Freedom to Adopt Own Project

From Our Own Correspondent

MONTREAL.—Contributory and compulsory system of old-age insurance in preference to the system of charity now in force, is favored by the Quebec Social Insurance Commission in its report to the Provincial Minister of Labor. The majority recommend that the province should accept as a temporary and transitory measure the establishment of the old-age pension sanctioned by federal laws. The minority report of the commission leans to the belief that Quebec should be free to adopt its own project.

The commission suggests the following scheme. Persons who would have the right to share in the scheme would include all wage earners with a maximum salary to be determined, up to the age of 60 years.

This maximum might be lowered in the case of wage earners living in towns with a population of less than 20,000. The wage earner of 60 years may have the privilege of postponing the payment of his pension to the age of 65.

**Apportion The Cost**

In the case of wage earners in industry and trade, the employer and the employee would each be required to pay half the monthly premium, the employer deducting the contribution of the employee from the wages of the latter and being held responsible for its payment. In the case of the farmer who is both employer and employee, and who can establish his right to insurance, the state would assume the share of the employer, contributing a proportion to be determined.

The policyholder of the transition period following the establishment of the system might receive as payment on his insurance, an annual income in proportion to the number of years during which he shall have paid premium.

This income should not in any instance be less than the minimum sum which would guarantee the subsistence of the beneficiary, the state to complete the income where necessary.

Societies whose task it is to guarantee income might be the organizations on which the state would rely for the operation of the insurance system. If, as a result of the responsibility assumed by the central authority which is the author of the legislation now in force, the system is federal in character, the operation could be entrusted to the federal organizations now in operation.

As to the present situation in the province, this legislation will remain permanently on the federal statute books, according to the commission. It may be amended or altered; its economy may be modified in the details of contribution but the experience of other countries proves that in the matter of social legislation, retrogression does not take place.

**Minority Report Presented**

In the minority report the suggestion is put forward that rather than Quebec concurring in the federal old-age pension law, toward which the federal government at the present time pays 75 per cent of the cost less expense of administration, it would be better if Ottawa were to make the province an annual grant equal to the amount of which would come to the people in the province under the present act and leave Quebec free to adopt a project of its own.

In support of this recommendation, the minority report points out that objection has been voiced in the legislature that the position of Quebec is different to that which exists in other provinces and especially so in the sense that in the Province of Quebec millions of dollars have gone into the construction of buildings for the maintenance of old men and old women, and that a turning away from this principle would mean that this large investment would be largely wasted.

85 Years old but Never Contested a Claim on a Technicality
The CANADA LIFE Assurance Company
Established 1847

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Assets
Decem'r, 1925 $12,375,516 Decem'r, 1931 $25,470,427
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HEAD OFFICE - - WATERLOO, ONTARIO
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These articles were written by a recognized student of the problem, A. F. W. Plumptre, lecturer in money at the University of Toronto.
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# Engineers and Economists All Disavow Technocracy, Say Machines Create Work

### New Gospel Covers Continent and Discredited Within One Month

### RAMIE MYTH FADES

### Product to Oust Cotton and Wool Cannot Be Made Cheap Enough—Has Serious Defects

Technocracy, whose pretensions to prophetic knowledge of capitalism ending in chaos early in 1934, were debunked for Canadian readers in The Financial Post a month ago has now made a retreat all along the line. Never in the history of this century has a new gospel, almost a new religion, spread so rapidly in a few short weeks, been hailed by so many people as a new evangel and then been so completely discredited within a few weeks.

The half dozen Technocrats, whose names had been spread far and wide as sponsors and authors of the new mathematics, themselves disavowed many of the spectacular conclusions drawn for them by Howard Scott, technocrat-in-chief, by Wayne Parrish and others. Prominent engineers and economists have in the last few weeks taken issue with the predictions of the price system ending, and have pointed out that much of the statistics was bogus.

Even Ex-Governor Al. Smith, whose "New Outlook" fathered the two articles by Wayne Parrish which drew most widespread attention to Technocracy, officially and editorially disavows belief in the doctrines expressed. Instead of expecting this present era to end in chaos and an amazing new era to develop under direction of engineers, he dryly remarks that the United States has just had sufficient experience with government by an engineer — Hoover — and wants no more of it. What it needs, he feels, is government by politicians who know the job, while engineers, doctors, lawyers, business men and workers and manufacturers do the best they can at their own particular jobs.

**Machines Have Helped Greatly**

Dr. Karl Taylor, president of the Massachusetts Institute of Technology, took issue recently with the conclusions of Technocracy and said their statistics were full of inaccuracies and fallacies.

"The results of the machine have been preponderantly beneficial and consist essentially in the creation of opportunity," he said. "The development of machines is an inevitable result of man's inherent urge for progress. whose satisfaction is an important element in his happiness.

"I do not know whether or not civilization will be destroyed, but if it is destroyed the blame will rest on man's 'stupidity and cussedness' and not upon the machines which he has created.

"There are some who fear that technological unemployment will go to extremes, and any one of unbridled reddish tendencies can easily paint a lurid picture of a future civilization in which all work is done by machines for the profit of capitalists, while the worker is reduced to famine status.

"Now it is certainly true that there is technological unemployment, but thus far even in the tremendous advances in machine production of past decades, such unemployment appears as a maladjustment in transitions rather than a progressive tendency."

**New Industries Arise**

He cited three recent independent surveys, two covering thirty years and one a century, as showing "that the percentage of United States population which is gainfully employed in manufacturing industries has not decreased with the advent of modern machinery and also that the wages in equivalent purchasing power have not decreased."

Then he mentioned two agencies as "more than offsetting the influence of machinery in throwing men out of work, as follows:

"New industries which supply new wants of people who are able to purchase these things as the result of their increased earnings and decreased expenses, both results of machine production.

**Shorter Working Hours Coming**

"The spreading of labor through the adoption of shorter working hours, a tendency which will certainly continue and which carries with it increasing responsibility of society to see that this increasing amount of free time is beneficially employed.

"It does not appear, therefore, that technological employment is a necessary evil," he said. "Because there are ways in which our present local and temporary maladjustments could be greatly reduced if ignorance, selfishness and obstreperous individuality in various groups could be overcome."

Employment stabilization and unemployment insurance, coupled with a control by existing governmental agencies of the correlation of production and consumption, Dr. Compton contended, would assist in bringing about an industrial equilibrium.

**Ramie Myth Fades Away**

Much was made in Wayne Parrish's articles of the excellence of ramie, a comparatively new fibrous nettle plant, which—if introduced to industry—would seriously affect the entire wood pulp, silk, wool and cotton industries. He said |that ramie has a 22 inch fibre and can be raised 1,500 lbs. to the acre, compared to 150 lbs. of cotton. He said that two and three crops can be obtained in a year in the Southern States, that there is no problem of picking, as he said it can be cut and bound with a thresher. If made into suits, he said, it wears 7 times as well as wool and several hundred times better than cotton. It has the advantageous property of being stronger when wet than dry, he went on: it can be made into paper cheaper than wood pulp and the paper can't be torn by human hands; it has a lustre similar to silk and linen, can be woven with silk, rayon, wool, or cotton and dyes beautifully; the technologist can refine and prepare ramie for spinning by complete automatic process.

But it turns out that ramie is not a new thing on this continent. High pressure promoters have at various times in the last quarter of a century sold stock in machines which were going to make ramie available for use. But every attempt failed and for good reason.

The truth is that ramie fibre, when carefully prepared and bleached, is lovely to look upon. It is dazzling white, lustrous as silk, reasonably soft, and it will grow anywhere that the frost does not go into the ground more than two inches. But no machine has been successful with it. The fibre is composed of the inner bark between the outer bark and the inner wood core. It must be pulled while the plant is green and no decorticators yet devised have been successful in separating satisfactorily the fibre layer from the rest of the stalk.

Then the product must be degummed, a laboratory process which has not been solved by machinery for large-scale production though many have worked on the idea. In the Orient where all operations and processes are by hand some success has been attained but cloth has been expensive. While undergoing the various processes necessary it is hard to protect the raw material from mold or bacteria in the period between decortication and degumming. It is imported into Canada and the United States as |China grass and has been used in the manufacture of Welsbach mantles.

**Ramie Has Disadvantages**

But supposing machinery and processes are developed which permit ramie to be grown, decorticated, degummed and fabricated on a large scale at lower than present cost for fibres like rayon, celanese, silk, cotton, wool, linen, does it follow that it will chase them off the market as some of the Technocracy articles would lead one to suppose? It will be an added fabric that is all, but it will not displace the others. It is like linen in some respects but it is brittle. It snaps when given a sharp twist. Cotton has a spiral cellular structure instead of straight like ramie. Cotton can stand twisting where ramie cannot. Ramie fibre has given trouble in spinning machinery whenever tried. Ramie is unfitted for winter clothing.

**Deny Machines Responsible**

At the American Association for the Advancement of Science recently, economists agreed that machines were not the principal nor even serious causes of unemployment. Dr. Walter Rautenstraugh, head of the department of industrial engineering, of Columbia University, one of the engineers whose names have been prominently identified with the trade-name of Technocracy, was unable to change their opinion. Prof. Irving Fisher, famous economist of Yale, said the only bearing technocracy has on unemployment was in the fact that greater technical activity might enable the world to recover more quickly from the depression. He said that unemployment is a result of falling prices rather than low prices and that it is rising prices that cause employment and not high prices.

**Laughs at 50-Year Car**

C. F. Kettering, of the General Motors Research Corp., Detroit, said he would like to have as his competitors those fellows who the Technocrats said, could make an auto that would last fifty years. Such a car would be valuable only to the junk man in ten years because of the inevitable changes in men's ideas and wants? He was referring to the claim of technocracy that the technologist has designs all complete for a car that would have a Hickman or a boat type bottom, individual wheel suspension, exposed/steel parts that would not rust, frictionless bearings throughout that would have an average life of 300,000 to 350,000 miles without a general overhauling. The energy cost of production would be half as much again as a high quality automobile today but its life would be ten times that of the average car on the road. But if these cars were produced at 8,000,000 cars per annum, all cars in operation in the United States would be replaced in three and a half to four years, said technocracy. Then there would be no demand as important for the next 40 or 50 years, says technocracy, but that makes the manufacturers laugh.

> **Unanimous**
>
> "I value The Post very highly and would find it hard to be without. Often a single article is worth the yearly subscription to me."
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>
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>
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> —*A city doctor.*
>
> "The paper is improving all the time."
> —*An industrial firm.*

# This Week in Wheat

### Gain in Price Result of Sounder Conditions

### Winnipeg Approves New Aides for McFarland

### Australian Situation Bears Watching

From Our Own Correspondent

## Responsive Market Leads to Wheat Price Gain

WINNIPEG.—While the wheat market has had to struggle to hold all the gains made since the first of the year, the very fluctuations appears to be evidence that a sounder condition is developing with increasing responsiveness to actual conditions.

The price improvement has occurred simultaneously with a reduction in Canada's exports, partly as a result of small world shipments, and partly as Australian and Argentine wheat are taking the place, to some extent, of former Canadian exports. North American shipments fell last week to less than four million bushels, the smallest since last September, with Canada's share just about one-third of total world shipments of eleven and a half million bushels. During recent months Canada's share had been well over half the total, but Australia is now the principal exporter, her shipments last week being well over four million bushels. More than half of this was consigned to Non-European countries, and part of the increasing confidence in wheat prices which is reported from England is based on the idea that Australia's wheat trade with Japan, China and India is likely to be heavy in the next few months.

* * *

THE spread between one Northern and the May future has narrowed to a cent and three-quarters, and between May and July to less than a cent. The heavy carryover has long been a reason for wide spreads and high carrying charges on futures, and the comparative gain of cash and early deliveries may of itself be some indication of a changing tone in the market. Trading in the October future at something better than a cent over the July, has brought a welcome return of 50 per cent quotations to the board.

Durum premiums have been strengthening and so long as United States wheat of this kind is kept out of export, and Russian exports are restricted, there is the possibility of a fairly tight situation developing as Italy seeks to fill her usual requirements for macaroni manufacture.

* * *

## U. K. Supplies Thought to be Short

INCREASING attention is being paid to the small imports to date of the United Kingdom, and the shortness of supplies there. Imports have not been at a rate to provide for normal consumption requirements, which seem to indicate a more rapid consumption than usual of home grown wheat, the place of which from now on should be taken by Australian wheat which is of a similar type, and also the using up of normal reserves which would indicate the need for imports on a much increased scale during the remainder of the year.

It has been known since last autumn that land in the Dakotas in Manitoba and Saskatchewan, and to some extent in Alberta, is so heavily infested with grasshoppers, eggs that a serious condition could develop next year if weather conditions favor hatching and development, but now for the first time markets on both sides of the line are beginning to take account of the possibilities.

* * *

## Government Commission Idea Meets Approval

ALTHOUGH the possibility is denied by Mr. Bennett, the suggestion to appoint some kind of commission or board, headed by Mr. McFarland, to manage the Dominion government's position in the wheat market, meets with general approval in Winnipeg. Once the Manitoba Wheat Pool was thrown into bankruptcy it seemed unlikely that the Dominion government could continue extensive guarantees to an institution owned, and nominally controlled to the extent of one-third, by that body. A further incongruity developed when the Saskatchewan Wheat Pool, also a third owner and controller of the Central Selling Agency, through which the government operations have been carried on, has been demanding a complete change in government policy.

Even although Mr. McFarland, as general manager of the Central Selling Agency, was entrusted with wide powers it has seemed that the form of carrying on the government's business in the name of the Central Selling Agency, with its board of twelve directors presumably entitled to some kind of information either as to what was being done or as to the state of their institution's bank account, was in danger of causing confusion as to the actual responsibility of the manager between the government and the board of directors.

* * *

MOREOVER, the most difficult period of the government's intervention in the market is still ahead, that of gradual withdrawal from commitments, which, it is assumed, will take place with the gradual lessening of the supply of wheat in the country, and also, if that develops, of increasing strength in the market structure, making it more independent of such support. It will add confidence if Mr. McFarland's relation to the government is more clearly defined, and if he is provided with colleagues who would be capable of carrying on a policy should illness interrupt the ability of one man to bear the responsibility.

* * *

## Australia Starts Shipping New Crop

AUSTRALIA has now commenced to ship wheat in large quantities, and the extent to which Japan, China, India and Egypt take Australian wheat during the next few months may have an important bearing on the world situation.

Whether the course of troubles between China and Japan will result in greater or in less demand for wheat seems still uncertain. Concentration of troops leads on one hand to an increased demand for flour, while the disruption of ordinary trade channels leads on the other to lessened facilities for distribution to the civil population.

India, which prior to the war was one of Canada's great rivals in the export field, is now a net importer, although last year's trade was comparatively small. Egypt, also once a net exporter, now imports fair quantities, although supplies are now drawn mainly from Australia, with the Canadian share much reduced in recent years.

dent; W. McG. Rait, treasurer, and

# Grain and Milling in Canada

## OTTAWA'S GAIN EXCEEDS FARMERS IF WHEAT RISES

### One Cent Increase in Price Would Net Government $1,250,000

From Our Own Correspondent

WINNIPEG.—If current estimates of the commitments of the Dominion Government in the wheat market are correct, it stands to gain more than do farmers from a rise in the wheat market, at least so far as the crop of 1932 is concerned.

About 85,000,000 bushels of last year's wheat still remain to be delivered by farmers. Of that already delivered nearly all has been sold by farmers, much of it earlier in the season at prices higher than now prevailing, and probably not much more than 25,000,000 bushels of the wheat in store still belongs to them.

**What Higher Prices Mean**

Every rise of a cent per bushel in the price of wheat means something more than a million dollars in price to farmers, if it holds until they sell their wheat, and possibly, accepting estimates which have been widely believed, about a million and a quarter dollars to the Dominion Government on account of its commitments in the futures market.

The farmer must wait until he sells his wheat to get the benefit, but the increase is registered at once in the bank account for which the government has made itself responsible. Clearing house adjustments are made daily with respect to futures contracts, on the basis of the closing price, and for every million bushels outstanding, $10,000 is paid into the clearing house by those who are short the future, and paid out again to those who are long.

It would be quite possible for the bank account in question to have improved by close to ten million dollars since the low point in the market.

Such transactions do not mean a great deal to the banks, as what they recover through one account they probably have to put out again in increased loans against cash wheat, in order that the elevator companies may continue to protect their hedges. In essence a loan with the government's guarantee as security is exchanged for several with actual wheat as security.

## Element of Strength Aiding Wheat Prices

### Buyers Still Control Market and Any Rapid Rise Will Release Large Supplies — New U. S. A. Relief Plan

From Our Own Correspondent

WINNIPEG. — The elements of increasing strength in the wheat market discussed in last week's The Financial Post, made themselves manifest in a week of steadily increasing prices at the opening of the New Year.

The first indication of a rise stimulated buying from outside, both from European and United States sources, some of it purely speculative, and a good deal in the nature of protection against future needs. The long decline that had previously been in progress had reduced to a minimum the latter element in the market, which had been one reason for the extremely narrow market that had prevailed. A reasonable anticipation by millers and by flour buyers of their requirements will do much to broaden the structure.

**Future Possibilities**

Change in tone of the market leads to consideration of possibilities of the immediate future. Wheat prices are still so low that it is doubtful if much check to consumption would be caused by even a fairly considerable further rise, at least to the extent of ten or fifteen cents a bushel. An increased cost of ten cents a bushel on weekly world shipments at the rate of 15,000,000 bushels would mean an additional million and a half dollars weekly, probably no great burden either for consumers or for the exchange situation.

An advance in prices is probably more important as it affects immediately available supplies, and it is the supply situation in which the limitations of price are mainly to be found. There is still enough wheat to constitute a buyers' instead of a sellers' market, which means, not that the buyers can get wheat for nothing or at their own price, but that the force which raises their bids is not competition with each other so much as the necessity of persuading sellers to deliver supplies. Any level of prices which can be sustained under prevailing conditions must still be sufficiently low to prevent too rapid selling on the part of sellers in Canada, in Australia and in the Argentine.

**U. S. A. Another Check**

Conditions in the United States provide another limit. World prices must remain low enough to prevent the United States from resuming export selling. Prices which are established constitute a level which other prices may approach, but cannot reach. Each rise in the United States price level enlarges the possibilities of other markets, but is not necessarily otherwise an influence.

The stronger technical position of the United States wheat market is indicated by the fact that cash wheat is selling as high, or higher than the May future. That is an invitation to the speculative buyer, who is not burdened by carrying charges. The present cash level is not tempting farmers to sell much of their wheat, which is stored on farms to an unusual extent, and the speculator can see no reason why the condition should not be at least as strong several months later, when there will be many million bushels of wheat less in the country.

**Little Pressure in July**

The poor condition of the winter wheat crop seems to assure that there will be little pressure from the marketing of new supplies when that crop is harvested next July. It is doubtful if for years the physical movement of wheat in the United States has been so small. Practically no wheat is being exported, little wheat is being delivered from farms to country elevators or from country elevators to terminals, and millers are drawing upon reserves for their operations.

**New U. S. Relief Plan**

The "domestic allotment" scheme, the next plan for farm relief which is likely to be tried out in the United States is now coming under consideration as a possible bullish factor in the wheat market. Not because of any prospect that it will result in a reduction of wheat acreage, for there seems to be little belief that such a result, nominally aimed at by the plan, would be attained.

If it goes into effect it will mean an excise tax on the production of all flour, so that consumers may provide the money with which to pay a special bonus to producers. That, if the plan is put into effect, will mean a substantial increase in the price of flour. Consequently, if it seems likely to be established, flour buyers, and not only bakers and housewives, but also wholesale and retail dealers may well seek to lay in as large supplies in advance as their resources and conveniences make possible.

**Cent a Pound**

As the tax which is suggested would amount to approximately one cent a pound on flour, such advance buying is likely to seem attractive, and could have a decided effect on the course of prices in the next few months.

On the other hand subsequent drying up of prices in succeeding months might have a corresponding effect towards lower prices. Some erratic movements in United States wheat prices, therefore, are quite possible if the "domestic allotment" scheme and its excise tax seem likely to become effective. Such movements would not be reflected in other markets if their cause were fully understood, but some sympathetic effect would be quite possible.

## Grain Insur'ce & Guarantee Declares Dividend on Pref.

The directors of Grain Insurance & Guarantee Co. Winnipeg, have declared a dividend at the rate of 7 per cent on the paid up preferred stock of the company which is outstanding to the amount of $1,139,900. The amount of the dividend was appropriated from the earnings for 1932.

The officers are: R. T. Evans, president; W. H. McWilliams, vice-presi-
W. D. Law, secretary.

## Winnipeg Grain Prices

Week to January 10

| Crop year from Aug. 1, 1932 High | Crop year from Aug. 1, 1932 Low | | Open Jan. 4 | High for week | Low for week | Close Jan. 10 |
|---|---|---|---|---|---|---|
| | | **Wheat** | | | | |
| .67⅝ | .40½ | May | .44¾ | .48⅜ | .44¾ | .47¾ |
| .54⅞ | .41¾ | July | .45¾ | 49¼ | .45¾ | .48½ |
| .50¾ | .48⅛ | October | ..... | .50¾ | .48⅛ | .50⅛ |
| | | **Oats** | | | | |
| .29½ | .21⅛ | May | .22⅝ | .24⅝ | .22⅝ | .24⅝ |
| .26 | .21½ | July | .22¾ | 24⅛ | .22¼ | .24⅛ |
| .23½ | .22 | October | ..... | .23½ | .22 | .23½ |
| | | **Barley** | | | | |
| .38½ | .26⅛ | May | .28⅝ | .30½ | .29 | .30½ |
| .35¾ | .26 | July | .28½ | .29¾ | 28⅜ | .29¾ |
| .29½ | .28⅛ | October | ..... | .29½ | .28⅛ | .29¼ |
| | | **Flax** | | | | |
| .94 | .71¼ | May | .77 | .84⅞ | .77½ | .83 |
| .84½ | .71⅝ | July | .78 | 84½ | .77¾ | .82¾ |
| .84 | .80 | October | ..... | .84 | .80 | .81 |
| | | **Rye** | | | | |
| .42⅞ | .30¼ | May | .33 | .35¼ | .33 | .35 |
| .37 | .31 | July | .33¾ | .35½ | 33½ | .35 |

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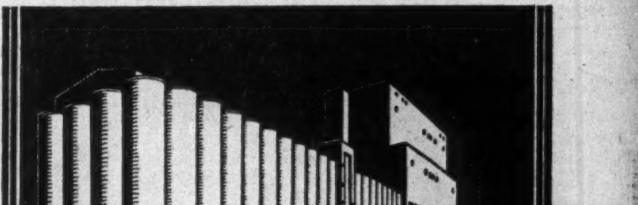
Three Terminal Elevators
Over 400 Country Elevators
Head Office: Winnipeg Branch Cffice: Calgary
GRAIN LIMITED

LAKE OF THE WOODS MILLING CO., Ltd.
Makers of FIVE ROSES FLOUR
Mills at
Montreal, Brantford, Keewatin, Portage la Prairie, Medicine Hat
DAILY CAPACITY 20,000 BARRELS
President and Managing Director
FRANK S. MEIGHEN, C.M.G.
Vice-President General Manager
HUGH MACKAY, K.C. C. H. G. SHORT
Directors
N. J. BREEN JOHN W. HOBBS HUGH MACKAY, K.C.
WALTER MOLSON ISAAC PITBLADO, K.C. R. W. REFORD
RT. HON. LORD SHAUGHNESSY, K.C. PAUL F. SISE G. W. ALLAN, K.C.
HON. RODOLPHE LEMIEUX J. W. PYKE G. C. MORRISON
Secretary Treasurer Asst. Treasurer
D. A. MacINNES A. C. McMILLAN R. R. HUTCHISON



Grain Merchants
Shippers & Exporters
Owning and Operating
Terminal Elevator at Port Arthur
(Capacity 5,500,000 bushels)
Over 250 Elevators in Western Canada
JAMES RICHARDSON & SONS
LIMITED
WINNIPEG • KINGSTON • MONTREAL • VANCOUVER • CALGARY • EDMONTON • MOOSE JAW • SASKATOON • REGINA • TORONTO

## Position of Chartered Banks of Canada as of November 30, 1932, Shown by Monthly Returns to Minister of Finance

**LIABILITIES**

| NAME OF BANK | Notes in Circulation | Balance Due to Dominion Government | Advances under Finance Act | Balances Due to Provincial Governments | Demand Deposits in Canada | Savings Deposits in Canada | Deposits Elsewhere | Bal. due to other banks in Canada | Due to Banks in U.K. | Due to Banks Elsewhere | Bills Payable | Letters of Credit outstanding |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ |
| Montreal | 32,254,007 | 51,242,698 | 9,000,000 | 6,248,154 | 126,681,117 | 393,096,893 | 69,912,155 | 2,122,743 | 1,006,847 | 7,617,921 | 130,684 | 6,848,822 |
| Nova Scotia | 11,030,801 | 3,098,219 | 3,214,000 | 5,000,217 | 32,937,196 | 130,249,528 | 34,074,512 | 1,951,196 | 80,869 | 1,483,055 | 200,259 | 5,018,299 |
| Toronto | 5,764,689 | 2,673,345 | 1,500,000 | 1,920,207 | 22,232,095 | 61,183,691 | ........... | 1,076,895 | 280,710 | 899,651 | 253,800 | 846,435 |
| Provinciale | 3,316,853 | 761,420 | 1,800,000 | 46,318 | 3,738,114 | 31,553,518 | ........... | ........... | ........... | 14,833 | ........... | 14,820 |
| Commerce | 22,507,358 | 14,641,514 | 15,000,000 | 3,010,604 | 106,635,290 | 287,991,381 | 57,676,839 | 1,883,861 | 548,700 | 17,068,451 | 11,977 | 12,060,707 |
| Royal | 28,733,752 | 26,139,015 | 25,000,000 | 9,015,639 | 116,251,949 | 261,888,843 | 184,078,870 | 662,915 | 238,371 | 20,818,536 | 199,352 | 20,092,951 |
| Dominion | 5,600,495 | 2,106,322 | 3,456,000 | 1,114,509 | 22,989,183 | 60,989,994 | 1,791,321 | 550,971 | 65,799 | 715,902 | ........... | 1,391,868 |
| Nationale | 8,178,894 | 2,217,480 | 4,500,000 | 1,252,419 | 18,610,451 | 81,174,362 | 1,584,345 | 407,352 | 21,298 | 302,606 | ........... | 283,085 |
| Imperial | 7,425,615 | 2,553,857 | 1,590,000 | 3,567,574 | 21,127,690 | 69,771,587 | ........... | 1,402,596 | 321,883 | 909,589 | ........... | 967,596 |
| Barclays (Canada) | 235,100 | 320,912 | 84,000 | 150,000 | 964,995 | 763,327 | ........... | 207,458 | 1,946,269 | 1,217,997 | ........... | 14,967 |
| Total | 125,047,564 | 105,754,782 | 65,144,000 | 31,325,641 | 472,168,080 | 1,378,663,124 | 349,118,042 | 10,265,987 | 4,510,746 | 51,048,541 | 796,072 | 47,539,550 |

| NAME OF BANK | Other Liabilities | Dividends Declared and unpaid | Reserve Fund | Capital Paid Up | Total Liabilities | Capital Authorized | Capital Subscribed | % Last dividend | *Loans to Directors and firms of which they are partners | Average gold and Coin Held | Average Dominion Notes Held | Greatest amount of notes in Circ. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ | $ | % | $ | $ | $ | $ |
| Montreal | 1,551,999 | 909,514 | 38,000,000 | 36,000,000 | 782,623,561 | 50,000,000 | 36,000,000 | 10 | 3,020,223 | 17,888,049 | 58,535,664 | 34,964,850 |
| Nova Scotia | 119,211 | 7,752 | 24,000,000 | 12,000,000 | 264,465,121 | 15,000,000 | 12,000,000 | 14 | 2,842,888 | 9,690,260 | 11,926,145 | 11,898,243 |
| Toronto | 218,049 | 151,875 | 9,000,000 | 6,000,000 | 114,001,447 | 10,000,000 | 6,000,000 | 10 | 1,044,262 | 376,530 | 7,568,316 | 6,484,274 |
| Provinciale | 526 | 84,945 | 1,500,000 | 4,000,000 | 46,831,350 | 5,000,000 | 4,000,000 | 8 | 694,139 | 241,375 | 679,176 | 3,829,716 |
| Commerce | ........... | 758,938 | 30,000,000 | 30,000,000 | 599,795,626 | 50,000,000 | 30,000,000 | 10 | 7,538,546 | 13,243,000 | 23,606,000 | 24,849,591 |
| Royal | 335,768 | 889,996 | 35,000,000 | 35,000,000 | 764,345,965 | 50,000,000 | 35,000,000 | 10 | 3,272,082 | 13,007,483 | 20,203,218 | 31,509,749 |
| Dominion | 227,130 | 1,496 | 9,000,000 | 7,000,000 | 117,000,994 | 10,000,000 | 7,000,000 | 10 | 1,410,381 | 624,000 | 2,329,000 | 6,115,805 |
| Nationale | ........... | 179,157 | 7,000,000 | 7,000,000 | 132,711,452 | 10,000,000 | 7,000,000 | 10 | 466,123 | 989,860 | 1,735,723 | 9,321,454 |
| Imperial | ........... | 4,552 | 8,000,000 | 7,000,000 | 124,642,542 | 10,000,000 | 7,000,000 | 10 | 445,422 | 474,202 | 5,656,550 | 8,216,070 |
| Barclays (Canada) | ........... | ........... | 500,000 | 500,000 | 6,905,028 | 500,000 | 500,000 | ...... | ........... | 11,485 | 93,831 | 274,565 |
| Total | 2,452,683 | 2,988,225 | 162,000,000 | 144,500,000 | 2,953,323,086 | 210,500,000 | 144,500,000 | ...... | 20,734,066 | 56,546,244 | 132,333,623 | 137,464,317 |

* And loans for which they are guarantors.

**ASSETS**

| NAME OF BANK | Current Gold and Subsidiary Coin | Dominion Notes | Notes of other banks | United States and other foreign currencies | Cheques on other banks | Balances due from other banks in Canada | Due from banks in U.K. | Due from banks elsewhere | Government securities | Canadian municipal British and foreign securities | Railway and other bonds and Stocks | Call loans in Canada | Call loans elsewhere |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ |
| Montreal* | 17,896,680 | 52,503,478 | 2,313,193 | 363,691 | 10,672,847 | 52 | 1,020,774 | 52,454,145 | 207,931,043 | 57,947,182 | 7,692,384 | 4,520,784 | 20,850,132 |
| Nova Scotia | 9,818,693 | 11,260,936 | 790,949 | 1,568,757 | 6,660,331 | ........... | 552,198 | 6,062,487 | 47,026,039 | 20,357,458 | 7,737,389 | 13,607,864 | 2,138,143 |
| Toronto | 385,572 | 9,661,892 | 379,425 | 12,946 | 6,405,271 | ........... | 449,282 | 1,905,839 | 28,188,203 | 7,569,014 | 1,517,840 | 4,196,087 | ........... |
| Provinciale | 250,632 | 2,021,188 | 427,615 | 6,641 | 1,264,628 | 913,945 | 8,695 | 81,320 | 8,882,071 | 4,514,900 | 3,361,101 | 4,738,597 | ........... |
| Commerce† | 17,520,567 | 36,940,627 | 1,167,770 | 666,406 | 15,419,796 | 11,699 | 694,969 | 24,109,841 | 101,184,724 | 24,776,834 | 12,496,042 | 31,195,964 | 38,612,440 |
| Royal‡ | 28,168,913 | 38,046,090 | 2,087,242 | 16,012,894 | 18,667,993 | 2,232 | 1,895,739 | 56,749,618 | 89,448,844 | 26,750,444 | 9,748,496 | 28,951,263 | 36,400,142 |
| Dominion | 626,268 | 3,750,400 | 558,905 | 42,857 | 3,445,881 | ........... | 98,341 | 1,802,240 | 22,039,513 | 5,054,585 | 2,765,889 | 8,638,183 | 1,366,893 |
| Nationale§ | 1,001,183 | 5,431,638 | 455,635 | 47,374 | 4,122,069 | 458,021 | 72,985 | 1,210,946 | 23,531,297 | 6,907,907 | 3,195,418 | 6,149,357 | ........... |
| Imperial | 444,908 | 3,786,652 | 519,405 | 23,553 | 4,382,415 | 710,868 | 893,386 | 1,855,633 | 22,504,424 | 5,629,787 | 169,565 | 5,586,192 | ........... |
| Barclays (Canada) | 11,785 | 100,473 | 10,782 | 1,333 | 239,225 | 1,252,927 | 2,758,178 | 419,712 | 422,054 | 94,795 | 30,850 | 26,750 | ........... |
| Total | 76,125,201 | 163,503,374 | 8,710,921 | 18,746,452 | 80,280,456 | 3,349,744 | 8,444,547 | 146,651,781 | 551,158,212 | 159,602,906 | 48,714,974 | 107,611,041 | 99,367,750 |

| NAME OF BANK | Other current loans in Canada | Other current Loans elsewhere | Loans to provincial governments | Loans to municipalities | Non-current loans | Real estate other than premises | Mortgages on real estate | Bank Premises | Letters of Credit | Deposit for note circulation | In central gold reserves* | Shares of and loans to controlled companies | Other assets | Total assets |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ |
| Montreal* | 238,684,241 | 19,279,271 | 17,250,479 | 29,544,917 | 4,250,864 | 495,689 | 1,222,947 | 14,500,000 | 6,848,822 | 1,542,872 | 4,000,000 | 249,856 | 103,972 | 783,140,326 |
| Nova Scotia | 98,518,406 | 13,453,904 | 4,039 | 8,053,814 | 871,488 | ........... | 110,463 | 8,029,913 | 5,018,299 | 564,672 | 750,000 | 2,788,686 | 91,817 | 265,836,759 |
| Toronto | 43,171,329 | ........... | ........... | 4,842,201 | 238,158 | ........... | 63,070 | 3,727,710 | 846,435 | 306,603 | 630,866 | ........... | ........... | 114,497,749 |
| Provinciale | 15,630,205 | ........... | ........... | 1,385,336 | 148,636 | 590,477 | 381,915 | 2,170,812 | 14,820 | 197,600 | ........... | ........... | 210,129 | 47,201,271 |
| Commerce† | 191,605,147 | 15,836,308 | 7,380,277 | 32,092,173 | 2,770,963 | 2,479,208 | 2,614,403 | 15,099,299 | 12,060,707 | 1,250,000 | 8,000,000 | 3,997,588 | 331,363 | 600,315,125 |
| Royal‡ | 239,210,047 | 104,167,441 | 1,663,766 | 11,507,158 | 4,013,872 | 2,431,601 | 870,947 | 17,194,887 | 20,092,951 | 1,600,000 | 3,000,000 | 6,326,569 | 503,760 | 765,512,920 |
| Dominion | 56,535,660 | 708,596 | ........... | 1,731,969 | 416,121 | 72,665 | 25,560 | 6,033,224 | 1,391,868 | 322,425 | 400,000 | ........... | 142,365 | 117,970,419 |
| Nationale§ | 56,708,817 | 115,951 | 4,899,926 | 8,694,433 | 299,690 | 1,212,558 | 670,706 | 6,023,343 | 283,085 | 366,773 | 1,000,000 | ........... | 62,574 | 132,921,697 |
| Imperial | 57,391,448 | ........... | 3,005,585 | 9,183,296 | 318,194 | 170,609 | 425,747 | 6,002,079 | 967,596 | 430,504 | 1,100,866 | ........... | 95,711 | 125,598,433 |
| Barclays (Canada) | 1,478,728 | ........... | ........... | ........... | 35,342 | ........... | ........... | ........... | 14,967 | 14,365 | ........... | ........... | ........... | 6,912,274 |
| Total | 998,934,028 | 153,561,471 | 34,204,072 | 107,035,297 | 13,363,328 | 7,452,807 | 6,385,758 | 78,781,267 | 47,539,550 | 6,595,814 | 18,881,732 | 13,362,699 | 1,541,691 | 2,959,906,973 |

*Of this deposit $11,081,732 is in gold coin; the balance is in Dominion notes.

*The business of the bank in Paris, France, and in San Francisco, U.S.A., is carried on under the name of local incorporated companies and the figures are incorporated in the above statement.—Footnote to Bank of Montreal return.

†The figures of The Canadian Bank of Commerce (California) are incorporated in the above statement.—Footnote to Canadian Bank of Commerce return.

‡The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the bank in Paris, and the assets and liabilities of the Royal Bank of Canada (France) are included in the above statement.—Footnote to Royal Bank return.

§The assets and liabilities of the Banque Canadienne Nationale, France, same being considered a branch operating as a subsidiary of the Banque Canadienne Nationale, are included in above return.—Footnote to Banque Canadienne Nationale return.

# WEEK'S CANADIAN STOCK AND BOND QUOTATION

A. J. Pattison, Jr. & Co. LIMITED
INVESTMENT BANKERS
Dealers in Unlisted Bonds and Shares
Royal Bank Bldg. (Third Floor) Toronto, 2 Elgin 5101 10 Lines

Abitibi Power & Paper Company, Limited
TORONTO, ONT.
Owning and operating mills at
Murray Bay, Que.
Beaupre, Que.
Sturgeon Falls, Ont.
Espanola, Ont.
Sault Ste. Marie, Ont.
Iroquois Falls, Ont.
Smooth Rock Falls, Ont.
Fort William, Ont.
Pine Falls, Manitoba
Daily Capacity 2200 Tons Newsprint
Groundwood Pulp News Sulphite Pulp
High Grade Bleached Sulphite Pulp

CHASE & SANBORN'S COFFEE
Canada's favorite for half a century
A quality product of
STANDARD BRANDS LIMITED
HEAD OFFICE: MONTREAL
A Canadian corporation operating Canada's largest fresh food delivery system
MANUFACTURERS AND DISTRIBUTORS OF
Fleischmann's Bakery Products - Fleischmann's Yeast for Health - Magic Baking Powder - Gillett's Lye - Royal Yeast Cakes - Chase & Sanborn's Tea and Coffee

## FAILURES HIGHER IN 1932 THAN 1931

### Increase 3.7 p.c. Under Bankruptcy Act, 7 p.c. by Bradstreet's

Failures under the Bankruptcy Act increased in number by 81 or 3.7 per cent in 1932, acording to information published in The Canada Gazette. According to statistics compiled by Bradstreet's, failures in Canada and Newfoundland combined, increased by 187, or nearly 7 per cent.

Failures under the Bankruptcy Act, according to the Gazette, and compared with 1931 are as follows:

**No. of Failures in Canada**

| | 1931 | 1932 | Inc. or Dec. |
|---|---|---|---|
| P. E. I. | 10 | 13 | +3 |
| N. S. | 51 | 75 | +24 |
| N. B. | 83 | 84 | +1 |
| P. Q. | 706 | 725 | +19 |
| Ont. | 822 | 914 | +92 |
| Man. | 105 | 82 | —23 |
| Sask. | 140 | 82 | —58 |
| Alta. | 112 | 140 | —28 |
| B. C. | 118 | 113 | —5 |
| | 2,147 | 2,228 | +81 |

Bradstreet's report 2,929 failures in Canada and Newfoundland in 1932 with liabilities of $51,785,000, compared with 2,742 failures and liabilities of $46,200,000 in 1931. The increase in liabilities amounted to 12.1 per cent.

## Poor November Fish Catch In Maritime Provinces

November was a poor month in the fishing industry in the Maritime Provinces, both the quantity and value of the catch being greatly reduced compared with the same month of 1931. Prince Edward Island was the only province to record an increase in the catch but the value was lower.

Total catch for the month amounted to 15,061,000 pounds valued at $237,676, compared with a catch of 17,835,000 pounds valued at $360,705 in November, 1931.

## Retail Sales Index Records Seasonal Loss

Seasonal influences were mainly responsible for the drop in the retail sales index of the Dominion Bureau of Statistics recorded in November. The index, which is based on the returns from 83 chains and is not adjusted either for seasonal influences or for price changes, dropped from 94.0 in October to 85.7 in November, this drop being comparable with the drop from 111.5 to 103.1 between these two months in 1931.

Three out of the eleven groups recorded increased sales in November, these increases being in accordance with the seasonal trend. Boots and shoes jumped from 76.5 to 78.3, furniture from 58.4 to 59.4 and music and radio from 39.0 to 40.7.

Those groups showing decreases were as follows: Candy, 68.3 to 57.0; clothing, 87.2 to 85.2; drugs, 81.2 to 79.3; dryers and cleaners, 108.8 to 92.2; general and departmental, 109.9 to 97.9 to 97.7; groceries and meats, 88.2 to 80.4; hardware, 102.7 to 79.4 and restaurants, 61.5 to 55.8.

## Export Organization Needed Says Nfld. Fish Trade

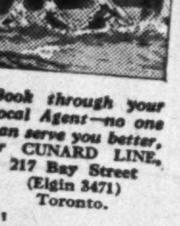
There is quite a strong feeling here that Newfoundland needs to adopt some system to regulate codfish exports such as has recently been put into effect in Iceland, a report from St. John's, Newfoundland, states. In this way, the report adds, Newfoundland exporters would be enabled to obtain fair prices for their fish.

Prices of all fish products are at a very low level in Newfoundland at the present time but there has been little demand except from Canada and the United States. It is stated that the European trade is slow owing to the fact that the decline in exchange rates in these countries materially offsets the low prices prevailing on this side of the Atlantic.

### Plan Annapolis Valley Carnival

Suggestions have been placed before the Kentville Board of Trade by Arthur T. Smith, of Halifax, for an apple blossom carnival to be inaugurated in the Annapolis Valley, so planned as to embrace the whole district. The project is now being considered.

From NEW YORK to EUROPE
Jan. 14 Cameronia L'd'nderry, Glasgow
Jan. 20 Antonia Cobh, Liverpool
Jan. 27 BERENGARIA Ch'b'g, S'thampton
Jan. 28 Transylvania Belfast, Glasgow
Feb. 3 Scythia G'way, Cobh, L'pool
Feb. 4 AQUITANIA Ch'b'g, S'thampton
Feb. 10 Samaria Ply., Havre, London
A certain standard of comfort, cuisine and service is maintained in every class, on all our ships—a standard that has made Cunard famous since 1840.
From SAINT JOHN and HALIFAX
(Newest Cunard Service)
Jan. 20 †Alaunia Plymouth, Havre, London
Jan. 22 *Antonia Cobh, Liverpool
Feb. 3 †Letitia Belfast, Glasgow
Feb. 3 †Ascania Plymouth, Havre, London
Feb. 17 †Alaunia Plymouth, Havre, London
Feb. 19 *Antonia Cobh, Liverpool
*From Halifax only †From Halifax following day
Low rates in all classes
Book through your local Agent—no one can serve you better, or CUNARD LINE, 217 Bay Street (Elgin 3471) Toronto.
SAIL CUNARD ANCHOR-DONALDSON



## Montreal, Toronto and Curb Markets

WEEK ENDING JANUARY 9

| Range 1932-33 High | Range 1932-33 Low | Divd. Rate in $ | Yield in % Jan. 7 | | Sales | Close Jan. 2 (or last) | Week Ending Jan. 9 High | Low | Close |
|---|---|---|---|---|---|---|---|---|---|
| 3.25 | .25 | . | ... | Abitibi | 610 | .30 | .37 | .25 | .25 |
| 10 | 1 | . | ... | Do. pref. | 200 | 1½ | 1½ | 1 | 1 |
| x105 | 80 | . | ... | Do. pref. | .... | .. | .. | .. | .. |
| 80 | 80 | 7 | ... | Acme F. D'y. p | .... | 80 | .. | .. | .. |
| 5 | 4½ | . | ... | Agnew Surp. | .... | 5 | .. | .. | .. |
| 70 | 60 | 7 | ... | Do. pref. | .... | 60 | .. | .. | .. |
| 7½ | 3½ | . | ... | Alta. Pa. Gr. | 30 | 5 | 4 | 4 | 4 |
| 45 | 19 | . | ... | Do. pref. | 20 | 20 | 21½ | 20 | 21½ |
| 3½ | 1½ | . | ... | Amal. Electric | .... | 1½ | .. | .. | .. |
| 11 | 5 | . | ... | Do. pref. | .... | 5 | .. | .. | .. |
| x3½ | 3½ | . | ... | Anglo. N. Hold. | .... | .. | .. | .. | .. |
| .30 | .15 | . | ... | Asbestos | .... | .20 | .. | .. | .. |
| 1.00 | .50 | . | ... | Do. pref. | 10 | .50 | .60 | .60 | .60 |
| 7 | 4 | . | ... | Assoc. Brew. | 40 | 5 | 5 | 5 | 5 |
| 72 | 65 | 7 | 10 | Do. pref. | .... | 70 | .. | .. | .. |
| 3 | 3 | . | ... | Assoc. Can. | .... | 3 | .. | .. | .. |
| x69 | 65 | . | ... | Assoc. Tele. | .... | .. | .. | .. | .. |
| 30 | 16 | . | ... | Atlan. Sugar | .... | 20½ | .. | .. | .. |
| 120 | 92 | . | ... | Do. pref. | .... | 120 | .. | .. | .. |
| 159½ | 127 | 10 | 7.8 | Bk. Can. Nat. | 108 | 128 | 128 | 128 | 128 |
| 225 | 150 | 10 | 5.3 | Bk. Montreal | 108 | 186 | 189 | 184½ | 184½ |
| 275 | 238 | 14 | 5.4 | Bk. N. Scotia | 16 | 260 | 260 | 260 | 260 |
| 193 | 125 | 10 | 6.1 | Bk. Toronto | 119 | 163 | 165 | 164 | 165 |
| 10½ | 10½ | . | ... | Barcelona | .... | 10½ | .. | .. | .. |
| 8 | 1 | . | ... | Bathurst Pr. | .... | 1½ | .. | .. | .. |
| 1½ | ½ | . | ... | Do. (B) | .... | 1 | .. | .. | .. |
| x26 | 26 | . | ... | Bawlf Grain | .... | .. | .. | .. | .. |
| 20 | 15 | . | ... | Do. pref. | .... | 15 | .. | .. | .. |
| 5 | 3 | . | ... | Beath & Sons | 185 | 5 | 4 | 4 | 4 |
| 10½ | 3½ | . | ... | Beatty Bros. A | .... | 7 | .. | .. | .. |
| 60 | 41 | 6 | 10.7 | Do. pref. | 5 | 57 | 56 | 56 | 56 |
| 3.50 | .40 | . | ... | Beauharnois | 6665 | .75 | .70 | .70 | .70 |
| 63 | 60 | 7 | 11.1 | Belding Cort. | .... | 63 | .. | .. | .. |
| 90 | 65 | 7 | 7.8 | Do. pref. | .... | 90 | .. | .. | .. |
| 120 | 75 | 7 | 7.4 | Bell Telephone | 485 | 93 | 95 | 92 | 94 |
| 5 | 2 | . | ... | Biltmore Hats | .... | 3½ | .. | .. | .. |
| 63 | 50 | 7 | ... | Do. pref. | .... | 63 | .. | .. | .. |
| 4 | 1½ | . | ... | Bissell, T. E. | .... | 1½ | .. | .. | .. |
| x97 | 88 | . | ... | Do. pref. | .... | .. | .. | .. | .. |
| 8 | 2 | . | ... | Blue Ribbon | .... | 2 | .. | .. | .. |
| 25 | 9 | 2 | 16.7 | Do. pref. | .... | 12 | .. | .. | .. |
| 20 | 17 | 2 | 10.5 | Brant. Cd. pf. | 152 | 18½ | 19 | 19 | 19 |
| 14½ | 7½ | . | ... | Brazilian Tr. | 7062 | 9¾ | 10 | 9 | 9½ |
| 1.00 | .40 | . | ... | Brew. & Distil. | .... | .65 | .. | .. | .. |
| 1 | ½ | . | ... | Brewing Corp. | 12 | ½ | ½ | ½ | ½ |
| 3½ | 1 | . | ... | Do. pref. | 10 | 1¼ | 1 | 1 | 1 |
| 11½ | 7½ | 80c | 9.7 | Brit. Amer. Oil | 2551 | 8½ | 8½ | 7⅞ | 8 |
| 3.50 | .60 | . | ... | B.C. Packers | 120 | 1.00 | 1.00 | 1.00 | 1.00 |
| 8½ | 4 | . | ... | Do. pref. | .... | 5 | .. | .. | .. |
| 28 | 15 | 2 | 12.5 | B.C. Power (A) | 1315 | 16½ | 16½ | 15½ | 15½ |
| 7½ | 3½ | . | ... | Do. (B) | 787 | 4½ | 4½ | 4½ | 4½ |
| 6½ | 2 | . | ... | Bruck S. Mills | 25 | 4 | 4 | 4 | 4 |
| 20½ | 10 | 1 | 8.3 | Building Prod. | .... | 11½ | .. | .. | .. |
| 32 | 17 | 2.40 | 8.6 | Burt, F. N. | 120 | 28 | 28 | 28 | 28 |
| 125 | 120 | 6 | 5 | Calgary Pr. | .... | 120 | .. | .. | .. |
| 4 | 1 | . | ... | Canada Bread | .... | 1 | .. | .. | .. |
| 85 | 80 | 7 | 8.2 | Do. pref. A. | .... | 85 | .. | .. | .. |
| 25 | 10 | . | ... | Do. pref. B. | .... | 10 | .. | .. | .. |
| 9 | 6 | 1 | 16 | Canada Bud | 885 | 6½ | 6½ | 6 | 6½ |
| 7 | 2 | . | ... | Canada Cement | 2625 | 2½ | 3 | 2½ | 3 |
| 66 | 15½ | . | ... | Do. pref. | 98 | 16 | 17½ | 16 | 17½ |
| b15 | 6 | 1 | 10.5 | Canada Dry | 900 | 9 | 10 | 8¾ | 10 |
| 6 | 2 | . | ... | Can. Forg. (A) | 12 | 2½ | 2½ | 2 | 2½ |
| 7½ | 2 | . | ... | Do. (B) | .... | 7½ | .. | .. | .. |
| 15 | 15 | . | ... | Canada Iron | .... | 15 | .. | .. | .. |
| x80 | 75 | 3 | ... | Do. pref. | .... | .. | .. | .. | .. |
| 400 | 400 | 20 | 5 | Canada Life | .... | 400 | .. | .. | .. |
| 15½ | 8½ | 1.50 | 10.7 | Can. Malting | 50 | 14 | 14 | 14 | 14 |
| 17 | 9 | 80c | 5.9 | Can. Nor. Pr. | .... | 13½ | .. | .. | .. |
| 92 | 52½ | 7 | 10.7 | Do. pref. | 15 | 65 | 65½ | 65 | 65½ |
| x6 | ⅜ | . | ... | Can. Paving | .... | .. | .. | .. | .. |
| 10½ | 6 | . | ... | Do. pref. | 35 | 9 | 10 | 7 | 7 |
| 186 | 135 | 12 | 8 | Can. Perman. | 36 | 155 | 153 | 143 | 144 |
| 1.00 | .50 | . | ... | Can. Pr. & Pa. | .... | .55 | .. | .. | .. |
| 3½ | ⅜ | . | ... | Can. Steamsh's | .... | 1½ | .. | .. | .. |
| 11⅞ | 1 | . | ... | Do. pref. | 220 | 2¼ | 3 | 2¼ | 3 |
| 17 | 9½ | 1.60 | 10.6 | Can. Vinegars | 125 | 13¼ | 15 | 13½ | 15 |
| 55 | 28½ | . | ... | Can. W. Cable | .... | 32 | .. | .. | .. |
| 18 | 4 | . | ... | Do. (B) | 40 | 8½ | 8½ | 8½ | 8½ |
| 1½ | 1½ | . | ... | Can. Bakeries | .... | 1½ | .. | .. | .. |
| 14 | 5 | . | ... | Do. pref. | .... | 5 | .. | .. | .. |
| 191 | 123 | 10 | 7.3 | Can. Bk. Com. | 190 | 140 | 140 | 137 | 137 |
| 18 | 9 | 1.25 | 7.8 | Can. Bronze | .... | 16 | .. | .. | .. |
| 102 | 70 | 7 | 8.7 | Do. pref. | 20 | 80½ | 80½ | 80½ | 80½ |
| 6¾ | 1¾ | . | ... | Can. Canners | 25 | 3¼ | 3⅜ | 3⅜ | 3⅜ |
| 80 | 40 | 6 | 11.3 | Do. 1st pfd. | 28 | 55 | 53 | 50½ | 50½ |
| 9 | 3½ | 40c | 8 | Do. 2nd pfd. | 150 | 5¼ | 5¼ | 5 | 5 |
| 8½ | 2½ | . | ... | Can. Car & F'y | 790 | 3⅞ | 3⅞ | 3½ | 3½ |
| 19½ | 10 | 1.75 | 15.9 | Do. pref. | 1580 | 10¼ | 11¼ | 10 | 11 |
| 12½ | 3½ | . | ... | Can. Celanese | .... | 8½ | .. | .. | .. |
| 84½ | 42 | 7 | 9.3 | Do. pref. | .... | 75 | .. | .. | .. |
| 20 | 16½ | 2 | 12.1 | Can. Convert. | .... | 16½ | .. | .. | .. |
| [illegible] | 45 | . | ... | Can. Cottons | .... | .. | .. | .. | .. |
| 60 | 48½ | 6 | 12.2 | Do. pref. | .... | 49 | .. | .. | .. |
| 17 | 7 | . | ... | Can. Dredge | 65 | 13½ | 13½ | 13½ | 13½ |
| x92 | 92 | 7 | ... | Do. pref. | .... | .. | .. | .. | .. |
| 68 | 60 | 6 | 10 | Can. Fairb. pf. | .... | 60 | .. | .. | .. |
| 4 | 3 | . | ... | Can. For. Inv. | .... | 8 | .. | .. | .. |
| 65 | 55 | 2¼ | ... | Do. pref. | .... | 55 | .. | .. | .. |
| 180 | 110 | 4 | 3.6 | Can. Gen. Elec. | .... | 110 | .. | .. | .. |
| 59 | 50 | 3.50 | 6.2 | Do. pref. | 50 | 55½ | 56½ | 56½ | 56½ |
| 3¾ | 3½ | . | ... | Can. G. Inv. T. | .... | 3½ | .. | .. | .. |
| 66 | 29 | 6 | 15.8 | Can. Hyd. E. p. | 75 | 87 | 88 | 88 | 88 |
| 3⅜ | ½ | . | ... | Can. Ind. Alc. | 240 | 2 | 2½ | 2 | 2 |
| 2.25 | .30 | . | ... | Do. (B) | .... | 1.50 | .. | .. | .. |
| x5.00 | 3.95 | . | ... | Can. Int. I. Tr. | .... | .. | .. | .. | .. |
| x70 | 64½ | . | ... | Do. pref. | .... | .. | .. | .. | .. |
| 21 | 15 | 1 | 6.4 | Can. Lt. & Pr. | .... | 15 | .. | .. | .. |
| 1½ | 1 | . | ... | Can. Locomo. | .... | 1 | .. | .. | .. |
| x25 | 5 | . | ... | Do. pref. | .... | .. | .. | .. | .. |
| 2½ | ½ | . | ... | Can. Marconi | 215 | 1¼ | 1¼ | 1⅛ | 1¼ |
| 13 | 7 | 1 | 10 | Canadian Oil | 125 | 9½ | 10 | 9¾ | 9¾ |
| 100 | 84 | 8 | 8.3 | Do. pref. | 100 | 98½ | 96 | 96 | 96 |
| 22½ | 8½ | . | ... | Can. Pacific | 8146 | 16½ | 16½ | 15⅞ | 16 |
| 3 | 1½ | . | ... | Can. Vickers | .... | 3 | .. | .. | .. |
| 20½ | 20½ | . | ... | Do. pref. | .... | 20½ | .. | .. | .. |
| 3½ | 1 | 20c | ... | Can. Wineries | 55 | 1¼ | 1¼ | 1⅛ | 1¼ |
| 7½ | 4 | . | ... | Can. Wire Box | .... | 5 | .. | .. | .. |
| 12 | 7 | . | ... | Catelli Mac. A | .... | 7 | .. | .. | .. |
| x5 | 5 | . | ... | Do. (B) | .... | .. | .. | .. | .. |
| x301 | 290 | 10 | ... | Cent. Can. L'n | .... | .. | .. | .. | .. |
| 2.05 | .50 | . | ... | Chem. Research | 4600 | .70 | .80 | .65 | .80 |
| 1 | 1 | . | ... | Claude Neon | .... | 1 | .. | .. | .. |
| 8½ | 3 | . | ... | Cockshutt Plow | 1390 | 4½ | 4⅝ | 3⅞ | 4 |
| 2 | ½ | . | ... | Comm. Alcohol | .... | 1¼ | .. | .. | .. |
| 3¾ | 1 | . | ... | Conduits | .... | 1½ | .. | .. | .. |
| x94 | 84 | . | ... | Do. pref. | .... | .. | .. | .. | .. |
| 8 | 2½ | . | ... | Cons. Bakeries | 370 | 2⅝ | 2⅝ | 2½ | 2½ |
| 5 | 1 | . | ... | Cons. Industries | .... | 1 | .. | .. | .. |
| 4 | 4 | . | ... | Cons. Paper | .... | 4 | .. | .. | .. |
| 15 | 5 | . | ... | Cons. Press | 20 | 6 | 5 | 5 | 5 |
| 35 | 30 | . | ... | Cons. Sand pf. | .... | 35 | .. | .. | .. |
| 102 | 25 | 10%▲ | ... | Cons. Smelters | 2228 | 63½ | 66 | 60½ | 65½ |
| 175 | 142 | 10 | 5.8 | Consumers Gas | 14 | 168½ | 173 | 170 | 172 |
| ‡35 | 30 | . | ... | Cooksville Co. | .... | .. | .. | .. | .. |
| ‡85 | 85 | . | ... | Do. pref. | .... | .. | .. | .. | .. |
| x20½ | 15 | . | ... | Corpor. Steel | .... | .. | .. | .. | .. |
| ‡90 | 90 | . | ... | Corr. P. Box, p | .... | .. | .. | .. | .. |
| 3½ | 1½ | . | ... | Cosgrave Brew. | 25 | 2½ | 1½ | 1½ | 1½ |
| 5⅞ | 2 | . | ... | Cosmos Imp. | .... | 3 | .. | .. | .. |
| 68 | 40 | 3.50 | 7.4 | Do. pref. | .... | 47½ | .. | .. | .. |
| 3¾ | 2 | . | ... | Crown Dom. Oil | 60 | 3½ | 3½ | 3½ | 3½ |
| 20 | 8 | 6 | ... | Crow's N. Coal | .... | 15 | .. | .. | .. |
| 1½ | 1½ | . | ... | David & Fre. B. | .... | 1½ | .. | .. | .. |
| x12½ | 12½ | . | ... | De Havilland | .... | .. | .. | .. | .. |
| 15 | 10 | . | ... | Do. pref. | .... | 10 | .. | .. | .. |
| x9 | 5 | . | ... | Disher Steel | .... | .. | .. | .. | .. |
| x10 | 10 | 1.50 | ... | Do. pref. | .... | .. | .. | .. | .. |
| 7½ | 3½ | . | ... | Distill-Seagram | 160 | 4⅞ | 4⅞ | 4½ | 4⅞ |
| 7 | 7 | . | ... | Dodge "A" pf. | .... | 7 | .. | .. | .. |
| 2 | 1½ | . | ... | Do. (B) | .... | 2 | .. | .. | .. |
| 194 | 125 | 10 | 7.1 | Dom. Bank | 34 | 135½ | 143 | 135 | 143 |
| 27 | 9 | 2 | 11.4 | Dom. Bridge | 993 | 16¾ | 17½ | 16½ | 17 |
| 4 | 4 | . | ... | Dom. Coal | .... | 4 | .. | .. | .. |
| 22½ | 12 | . | ... | Dom. Engineer. | 30 | 13 | 12 | 12 | 12 |
| 78 | 30 | 5 | 8.6 | Dom. Glass | 10 | 59½ | 58 | 58 | 58 |
| 112 | 85 | 7 | 7 | Do. pref. | .... | 100 | .. | .. | .. |
| 5½ | 1 | . | ... | Dom. Motors | 20 | 1¾ | 2 | 1¾ | 2 |
| 7½ | 2 | . | ... | Dom. Pr. Stubs | 14 | 2 | 2 | 2 | 2 |
| 3 | 1 | . | ... | Dom. St. & C.B. | 660 | 1⅛ | 1⅛ | 1 | 1⅛ |
| 20½ | 13 | 1.20† | 7 | Dom. Stores | 1252 | 16¼ | 17 | 16 | 16⅞ |
| 5 | 2 | . | ... | Dom. Tar & Ch. | .... | 2¼ | .. | .. | .. |
| 30 | 15 | . | ... | Do. pref. | .... | 17 | .. | .. | .. |
| 63½ | 39 | 5 | 9.9 | Dom. Textile | 80 | 50½ | 50½ | 50½ | 50½ |
| 105 | 70 | 7 | 7.3 | Do. pref. | 5 | 100 | 95½ | 95½ | 95½ |
| x12 | 10 | . | ... | Donnacona | .... | .. | .. | .. | .. |
| 3 | ½ | . | ... | Dryden Paper | 200 | 1 | 1½ | 1½ | 1½ |
| 4 | 2 | . | ... | Duff. Paving | .... | 2 | .. | .. | .. |
| 49 | 26 | . | ... | Do. pref. | .... | 26 | .. | .. | .. |
| 20 | 3 | . | ... | East. Koot. Pr. | .... | 3 | .. | .. | .. |
| x97 | 94½ | . | ... | Do. pref. | .... | .. | .. | .. | .. |
| 16 | 4 | . | ... | East. Dairies | 91 | 5 | 5 | 4 | 5 |
| 9½ | 9½ | . | ... | East. Steel | .... | 9½ | .. | .. | .. |
| 74 | 74 | 7 | 9.4 | Do. pref. | .... | 74 | .. | .. | .. |
| ‡34 | 28½ | 2 | ... | East. Theatres | .... | .. | .. | .. | .. |
| x85 | 80 | 7 | ... | Do. pref. | .... | .. | .. | .. | .. |
| 1 | 1 | . | ... | Easy Washer | .... | 1 | .. | .. | .. |
| 9 | 4½ | 75c | 12.2 | Economic Inv. | .... | 6 | .. | .. | .. |
| x15 | 15 | . | ... | Edmonton D'y | .... | .. | .. | .. | .. |
| x80 | 78½ | 6.50 | ... | Do. pref. | .... | .. | .. | .. | .. |
| 4 | 4 | . | ... | Enam. & Heat. | .... | 4 | .. | .. | .. |
| 19 | 6 | . | ... | Eng. Electric | .... | 8 | .. | .. | .. |
| 2½ | 1½ | . | ... | Do. (B) | .... | 2 | .. | .. | .. |
| 8 | 6 | . | ... | Fam. Players | .... | 7 | .. | .. | .. |
| 10 | 7½ | . | ... | Do. Vot. Tr. | .... | 10 | .. | .. | .. |
| 10 | 7 | 25c | ... | Fanny Farmer | .... | 8½ | .. | .. | .. |
| 29 | 25 | 2.40 | 9.6 | Do. pref. | .... | 25 | .. | .. | .. |
| x83½ | 75 | . | ... | Firstbrook Box | .... | .. | .. | .. | .. |
| 16½ | 5½ | . | ... | Ford Motors A | 750 | 7 | 7⅛ | 7⅛ | 7⅛ |
| 3½ | 1½ | . | ... | For. Pr. Secs. | 45 | 1½ | 1½ | 1½ | 1½ |
| 9 | 4 | . | ... | Foundation Co. | .... | 4 | .. | .. | .. |
| 1.25 | .25 | . | ... | Fraser Cos. | .... | .25 | .. | .. | .. |
| 50 | 50 | . | ... | Front Brew. | .... | 50 | .. | .. | .. |
| 50 | 50 | . | ... | Do. pref. | .... | 50 | .. | .. | .. |
| x8 | 5 | . | ... | Frost Steel | .... | .. | .. | .. | .. |
| 37 | 35 | . | ... | Do. pref. | .... | 35 | .. | .. | .. |
| 2½ | ½ | . | ... | Gen. St. Wares | 155 | ⅞ | 1 | 1 | 1 |
| 84 | 38 | 5 | 7.7 | Goodyear Tire | .... | 65 | .. | .. | .. |
| 95 | 70 | 7 | 7.8 | Do. pref. | 155 | 90 | 90 | 90 | 90 |
| x93½ | 93½ | . | ... | Gould Pumps p | .... | .. | .. | .. | .. |
| 1½ | ⅛ | . | ... | Gt. W Saddlery | .... | ⅞ | .. | .. | .. |
| 8 | 5 | . | ... | Do. pref. | .... | 8 | .. | .. | .. |
| 21 | 5 | 60c | 9.2 | Gurd, Chas. | 130 | 7 | 6½ | 5 | 5 |
| 106 | 100 | 7 | 7 | Do. pref. | .... | 100 | .. | .. | .. |
| 5 | 2 | . | ... | Gypsum, Lime. | 270 | 2 | 2 | 2 | 2 |
| 7 | 2 | . | ... | Ham. Bridge | 225 | 2½ | 3 | 2½ | 2½ |
| 60 | 44½ | . | ... | Do. pref. | .... | 45 | .. | .. | .. |
| 10 | 5½ | . | ... | Ham. Cot. pf. | 50 | 5¼ | 5½ | 5½ | 5½ |
| 2½ | 1½ | . | ... | Ham. U. Theat. | .... | 2½ | .. | .. | .. |
| 58 | 30 | 7 | ... | Do. pref. | .... | 30 | .. | .. | .. |
| 4 | ½ | . | ... | Hayes Wheel | .... | ⅞ | .. | .. | .. |
| 4 | 4 | . | ... | Do. pref. | .... | 4 | .. | .. | .. |
| ‡50 | 50 | . | ... | Hillcrest Coll. | .... | .. | .. | .. | .. |
| ‡91½ | 91 | . | ... | Do. pref. | .... | .. | .. | .. | .. |

| Range 1932-33 High | Range 1932-33 Low | Divd. Rate in $ | Yield in % Jan. 7 | | Sales | Close Jan. 2 (or last) | Week Ending Jan. 9 High | Low | Close |
|---|---|---|---|---|---|---|---|---|---|
| 3 | 1 | . | ... | Hinde & Dauch | 10 | 2½ | 2½ | 2½ | 2½ |
| x75 | 75 | . | ... | Holt Renfrew | .... | .. | .. | .. | .. |
| ‡96½ | 90 | 7 | ... | Do. pref. | .... | .. | .. | .. | .. |
| 3½ | ⅜ | . | ... | Honey Dew | 50 | ½ | ½ | ½ | ½ |
| 40 | 10 | . | ... | Do. pref. | .... | 11 | .. | .. | .. |
| 4 | 2 | . | ... | H. Smith Pap. | 375 | 2½ | 2½ | 2½ | 2½ |
| 27 | 16 | . | ... | Do. pref. | .... | 16 | .. | .. | .. |
| 21½ | 15 | 2 | 12.5 | Humberstn. Sh. | 20 | 16 | 17 | 17 | 17 |
| 17⅞ | 6½ | 1 | 12.5 | Hunt (A) | 50 | 8 | 8 | 8 | 8 |
| x23½ | 12½ | 1 | ... | Do. (B) | .... | .. | .. | .. | .. |
| 108 | 93 | 8 | 7.8 | Huron & E. Mt. | 15 | 102 | 102 | 100 | 102 |
| 18 | 17 | . | ... | Do. 20% pd. | .... | 18 | .. | .. | .. |
| 11½ | 4½ | . | ... | Hydro Electric | .... | 6 | .. | .. | .. |
| 193 | 130 | 10 | 6.6 | Imperial Bank | 20 | 148 | 151 | 148 | 150 |
| 11⅞ | 7½ | 50c | 5.5 | Imperial Oil | 7382 | 8¾ | 9½ | 8½ | 9 |
| 9⅞ | 6 | 35c* | 4.2 | Imperial Tob. | 811 | 8⅝ | 8¾ | 8 | 8¼ |
| x80 | 80 | 8 | ... | Inter. Coal. p. | .... | .. | .. | .. | .. |
| 6 | 6 | . | ... | Int. Hyd. E. A. | .... | .. | .. | .. | .. |
| 98 | 88½ | 7 | 7.1 | Inter. Mill. pf. | .... | 98 | .. | .. | .. |
| 84 | 77 | 6 | 7.2 | Do. Series A | 20 | 80 | 84 | 84 | 84 |
| 13½ | 4 | . | ... | Inter. Nickel | 20759 | 9¼ | 9½ | 9 | 9¼ |
| 4 | 4 | . | ... | Inter. Paints | .... | 4 | .. | .. | .. |
| b4⅜ | ⅜ | . | ... | Int. Pa. & Pr. A | 100 | ¾ | 1 | 1 | 1 |
| b2 | ⅝ | . | ... | Do. (B) | .... | .. | .. | .. | .. |
| b1½ | ½ | . | ... | Do. (C) | 400 | .. | .. | .. | .. |
| b12⅜ | 1½ | . | ... | Do. pref. | 2000 | 2¼ | 2⅝ | 2¼ | 2⅜ |
| 13⅛ | 9⅝ | 1 | 8.4 | Inter. Pete. | 2840 | 11⅛ | 12 | 11⅛ | 11⅛ |
| 2⅝ | 2¼ | . | ... | Inter. Power | .... | 2¼ | .. | .. | .. |
| 20 | 20 | . | ... | Do. pref. | .... | 20 | .. | .. | .. |
| 11 | 2 | . | ... | Int. Util. (A) | .... | 7 | .. | .. | .. |
| 4 | ½ | . | ... | Do. (B) | 100 | 1½ | 1½ | 1½ | 1½ |
| x40 | 40 | 1 | ... | Jam. Pub. Ser. | .... | .. | .. | .. | .. |
| 86 | 79 | 7 | 8.9 | Do. pref. | .... | 79 | .. | .. | .. |
| 4 | 1½ | . | ... | Kelvinator | 10 | 2⅛ | 1½ | 1½ | 1½ |
| 90 | 55 | 7 | 12.5 | Do. pref. | .... | 56 | .. | .. | .. |
| 9⅞ | 4 | . | ... | Lake of Woods | 110 | 6 | 6 | 5½ | 6 |
| 40 | 30 | . | ... | Do. pref. | 40 | 35 | 32 | 30 | 32 |
| x140 | 140 | 8 | ... | Landed Bank. | .... | .. | .. | .. | .. |
| 40 | 28 | 3 | 7.9 | Laura Secord | 10 | 38½ | 38 | 38 | 38 |
| 8 | 1½ | . | ... | Lindsay, C. W. | .... | 2¼ | .. | .. | .. |
| 60 | 36 | 6.50 | 16.7 | Do. pref. | .... | 39 | .. | .. | .. |
| 12⅝ | 9 | 80c§ | 7 | Loblaw (A) | 530 | 11¼ | 11½ | 11¼ | 11½ |
| 12 | 8 | 80c§ | 7.2 | Do. (B) | 155 | 11¼ | 11½ | 11¼ | 11⅛ |
| ‡2½ | 2½ | . | ... | Loew's, London | .... | .. | .. | .. | .. |
| x25 | 19 | . | ... | MacKin. Steel | .... | .. | .. | .. | .. |
| x95 | 90 | 7 | ... | Do. pref. | .... | .. | .. | .. | .. |
| 8 | 6½ | . | ... | Manitoba Pr. | .... | 8 | .. | .. | .. |
| 5 | 2 | . | ... | Maple Leaf | .... | 3 | .. | .. | .. |
| 20½ | 8 | . | ... | Do. pref. | .... | 15 | .. | .. | .. |
| 6 | 6 | . | ... | Marcus Loew's | 1 | .. | 6 | 6 | 6 |
| 60 | 30 | . | ... | Do. pref. | 4 | 30 | 35 | 35 | 35 |
| 5⅞ | 2½ | . | ... | Massey-Harris | 3230 | 2¾ | 3½ | 2¾ | 3⅛ |
| 11⅞ | 7 | 60c | 6.7 | McColl Fron. | 1128 | 7⅞ | 9 | 7⅞ | 8⅞ |
| 68 | 58 | 6 | 10 | Do. pref. | 20 | 60 | 60 | 60 | 60 |
| x45 | 35 | . | ... | Mexican L. & P. | .... | .. | .. | .. | .. |
| ‡25 | 25 | . | ... | Mercury Mills | .... | .. | .. | .. | .. |
| ‡89 | 58½ | . | ... | Do. pref. | .... | .. | .. | .. | .. |
| x40½ | 40 | . | ... | Mitchell, J. S. | .... | .. | .. | .. | .. |
| 105 | 105 | 7 | 6.7 | Do. pref. | .... | 105 | .. | .. | .. |
| 8¾ | 3 | . | ... | Mitchell, Robt. | .... | 4 | .. | .. | .. |
| x1 | 1 | . | ... | Monarch Knit. | .... | .. | .. | .. | .. |
| 80 | 20 | . | ... | Do. pref. | .... | 20 | .. | .. | .. |
| 75 | 45 | 6 | 12 | Montreal Cot. | .... | 50 | .. | .. | .. |
| 75 | 65 | 7 | 10.2 | Do. pref. | .... | 68½ | .. | .. | .. |
| 2½ | ½ | . | ... | Mont. Exhib. | .... | ½ | .. | .. | .. |
| 11 | 5 | . | ... | Mont. Is. Pr. | .... | 5 | .. | .. | .. |
| 39½ | 20½ | 1.50 | 4.7 | Mont. L. & Pr. | 5381 | 31½ | 32½ | 30½ | 31½ |
| 48 | 40 | 3+25 | 7.5 | Montreal Loan | .... | 43½ | .. | .. | .. |
| 47 | 40 | 3.20 | 7.1 | Montreal Tele. | .... | 45 | .. | .. | .. |
| 150 | 90 | 9 | 9.1 | Montreal Trams | 5 | 105 | 98½ | 98½ | 98½ |
| 11 | 4½ | . | ... | Moore Corp. | .... | 7 | .. | .. | .. |
| 93 | 62 | 7 | 8.9 | Do. (A) | 25 | 80 | 79½ | 79 | 79 |
| 97 | 69 | 7 | 8.1 | Do. (B) | 10 | 88½ | 86½ | 86½ | 86½ |
| ‡10 | 10 | . | ... | Mt. Royal Hot. | .... | .. | .. | .. | .. |
| ‡49 | 49 | . | ... | Do. pref. | .... | .. | .. | .. | .. |
| 2 | ½ | . | ... | Muirheads | 6 | ½ | ½ | ½ | ½ |
| 9 | 7 | . | ... | Do. pref. | .... | 7 | .. | .. | .. |
| 24 | 9½ | 1.60 | 10 | Nat. Brew. | 777 | 16 | 16½ | 15½ | 16½ |
| 30 | 25 | 1.75 | 6.2 | Do. pref. | .... | 30 | .. | .. | .. |
| ½ | ½ | . | ... | Nat. Brick | .... | ½ | .. | .. | .. |
| 3 | 3 | . | ... | Do. pref. | .... | 3 | .. | .. | .. |
| 18½ | 16½ | 2.40 | 14.5 | N. Sew. Pipe A | .... | 16½ | .. | .. | .. |
| 18¾ | 5½ | 80c | 13.1 | Nat. Steel Car. | 485 | 6 | 7½ | 6 | 7½ |
| 255 | 175 | 12 | 5.7 | National Tr. | 30 | 210 | 212 | 210 | 210 |
| 10 | 10 | . | ... | Niag. W. Weav. | .... | 10 | .. | .. | .. |
| 20 | 16 | . | ... | Do. pref. | .... | 16 | .. | .. | .. |
| 2.50 | 1.50 | . | ... | North Star Oil | .... | 1.50 | .. | .. | .. |
| 4.00 | 3.00 | 35c | ... | Do. pref. | .... | 3.00 | .. | .. | .. |
| ‡25 | 25 | . | ... | N.S. Steel, pf. | .... | .. | .. | .. | .. |
| 150 | 90 | 8 | 7.1 | Ogilvie Flour | 12 | 112 | 112 | 112 | 112 |
| 112 | 96 | 7 | 6.5 | Do. pref. | .... | 108 | .. | .. | .. |
| 9 | 4 | . | ... | Ont. Eq. 10% p | 50 | 5 | 5 | 5 | 5 |
| 107 | 94½ | 6 | 5.8 | Ontario Loan | .... | 103½ | .. | .. | .. |
| x7 | 5 | . | ... | Ont. Silknit | .... | .. | .. | .. | .. |
| x16 | 13 | . | ... | Ont. Steel | .... | .. | .. | .. | .. |
| ‡105 | 105 | . | ... | Do. pref. | .... | .. | .. | .. | .. |
| ½ | ⅛ | . | ... | Orange Crush | .... | ¼ | .. | .. | .. |
| 45 | 18 | . | ... | Do. (A) | .... | 18 | .. | .. | .. |
| ¾ | ½ | . | ... | Do. (B) | .... | ½ | .. | .. | .. |
| 100 | 87 | 6 | 6.5 | Ott. L. H. & P. | .... | 92 | .. | .. | .. |
| 100 | 89 | 6.50 | 7.2 | Do. pref. | 10 | 89 | 90 | 90 | 90 |
| 10 | 8 | . | ... | Ott. Traction | .... | 10 | .. | .. | .. |
| 68½ | 35 | 3 | 5.8 | Page Hersey | 220 | 48 | 58 | 50 | 52 |
| b11½ | 1½ | . | ... | Paramount | 71700 | 2 | 2⅛ | 2 | 2⅛ |
| 20 | 20 | . | ... | Paton Mfg. | .... | 20 | .. | .. | .. |
| x94 | 92 | 7 | ... | Do. pref. | .... | .. | .. | .. | .. |
| ⅜ | ½ | . | ... | Pelissiers | .... | .. | .. | .. | .. |
| x30 | 25 | . | ... | Do. pref. | .... | ¼ | .. | .. | .. |
| 35 | 18 | 3 | 10.7 | Penmans | 5 | 30½ | 28 | 28 | 28 |
| 80 | 65 | 6 | 8 | Do. pref. | .... | 75 | .. | .. | .. |
| 19½ | 8 | . | ... | Photo Eng. | 5 | 9½ | 9½ | 9½ | 9½ |
| x70 | 64 | 7 | ... | Porto Rico P. p | .... | .. | .. | .. | .. |
| b17½ | 1½ | . | ... | Postal Tele. p | .... | .. | .. | .. | .. |
| 36½ | 6 | . | ... | Power Corp. | 921 | 9 | 8⅝ | 8 | 8⅝ |
| 90 | 25 | 6 | 14.3 | Do. pref. | .... | 42 | .. | .. | .. |
| 2 | 2 | . | ... | Prairie C. Oil | .... | 2 | .. | .. | .. |
| 17½ | 5 | . | ... | Pressed Metals | .... | 16 | .. | .. | .. |
| 5 | 1 | . | ... | Price Bros. | .... | 1 | .. | .. | .. |
| 2 | 2 | . | ... | Do. pref. | .... | 2 | .. | .. | .. |
| 29 | 9½ | 1.50 | 11.5 | Quebec Power | 176 | 13 | 14 | 13 | 13 |
| 105 | 90 | 7 | 7.8 | Real Estate L'n | 15 | 105 | 95 | 90 | 90 |
| 2.00 | .25 | . | ... | Regent Knit. | .... | .55 | .. | .. | .. |
| 10 | 5¾ | . | ... | Reliance Grain | .... | 9 | .. | .. | .. |
| 12 | 6½ | 1 | 12.5 | River. S. Mills | 35 | 7½ | 8½ | 7½ | 7½ |
| 12 | 5 | 1 | 18.2 | Robinson Cone | .... | 5½ | .. | .. | .. |
| 4 | 1 | . | ... | Rogers Majes. | .... | 1 | .. | .. | .. |
| 171 | 120 | 10 | 7.1 | Royal Bank | 880 | 139 | 141 | 137 | 141 |
| x84 | 75 | 7 | ... | Ruddy, E. L. p | .... | .. | .. | .. | .. |
| 33 | 32½ | . | ... | Russell Motor | .... | 32½ | .. | .. | .. |
| 70 | 35 | 7 | 17.5 | Do. pref. | .... | 40 | .. | .. | .. |
| 4 | 3 | . | ... | Sarnia Br. (A) | .... | 3 | .. | .. | .. |
| 1 | 1 | . | ... | Do. (B) | .... | 1 | .. | .. | .. |
| 7 | 3 | . | ... | Serv. Station | 221 | 3½ | 3⅝ | 3 | 3¼ |
| 46 | 20 | . | ... | Do. pref. | .... | 25 | .. | .. | .. |
| 33 | 7½ | 50c | 4.3 | Shawinigan | 2169 | 11 | 11⅛ | 10⅝ | 11¼ |
| 20 | 5 | . | ... | Sher. Wms. | .... | 6 | .. | .. | .. |
| 80 | 65 | 7 | 10.8 | Do. pref. | .... | 65 | .. | .. | .. |
| 17 | 5 | . | ... | Simon & Son. | .... | 5½ | .. | .. | .. |
| 80 | 60 | . | ... | Do. pref. | .... | 60 | .. | .. | .. |
| 55½ | 10 | . | ... | Simpson, Ltd. | 42 | 15 | 12 | 10 | 10 |
| x44½ | 36 | . | ... | Do. (A) | .... | .. | .. | .. | .. |
| 9 | 9 | . | ... | Do. (B) | .... | 9 | .. | .. | .. |
| 82 | 62 | 6 | 7.5 | Simpson, R., p. | .... | 80 | .. | .. | .. |
| 25 | 10 | 1 | 6.7 | So. Can. Pr. | 5 | 15 | 15 | 15 | 15 |
| 90 | 60 | 6 | 7.8 | Do. pref. | 10 | 79 | 79 | 77 | 77 |
| 1.00 | .30 | . | ... | St. Law. Corp. | 85 | .30 | .30 | .30 | .30 |
| 4 | 1½ | . | ... | Do. (A) | .... | 2 | .. | .. | .. |
| 30 | 9 | 1.50 | 5 | St. Law. Flour | .... | 30 | .. | .. | .. |
| 99½ | 70 | 7 | 7 | Do. pref. | .... | 99½ | .. | .. | .. |
| 11 | 1⅜ | . | ... | St. Law. Pa. p | .... | 2½ | .. | .. | .. |
| 3 | 1½ | . | ... | St. Pav. & Mat. | .... | 1¼ | .. | .. | .. |
| 46 | 25 | . | ... | Do. pref. | .... | 29½ | .. | .. | .. |
| 6 | 4 | 50c | ... | Stand. Chem. | .... | 6 | .. | .. | .. |
| 5⅞ | 1¼ | . | ... | Stand. Steel | 25 | 2¼ | 2⅜ | 2⅜ | 2⅜ |
| x35 | 30 | 3 | ... | Do. pref. | .... | .. | .. | .. | .. |
| 24 | 10½ | 1.75 | 10.4 | Steel of Can. | 443 | 17 | 17½ | 16 | 17 |
| 30½ | 20 | 1.75 | 6.5 | Do. pref. | 35 | 27 | 27 | 26½ | 26½ |
| 1⅛ | ⅜ | . | ... | Sterling Coal | .... | 1 | .. | .. | .. |
| 18 | 9⅛ | 1 | 7.5 | Sup. Pete. ord. | 15 | 13 | 13½ | 13¼ | 13¼ |
| 16½ | 12 | 1 | 8.3 | Do. com. | .... | 12 | .. | .. | .. |
| 98 | 90 | 7 | 7.3 | Do. pref. | .... | 95½ | .. | .. | .. |
| 300 | 290 | . | ... | Sun Life Assur. | .... | 290 | .. | .. | .. |
| 42 | 35 | . | ... | Tamblyn | .... | 40 | .. | .. | .. |
| 100½ | 88 | 7 | 7.9 | Do. pref. | .... | 88 | .. | .. | .. |
| 18 | 14½ | . | ... | Thayers, pfd. | .... | 16 | .. | .. | .. |
| 7 | 3 | . | ... | Tip Top Tailors | .... | 3 | .. | .. | .. |
| 67 | 40 | 7 | 17.5 | Do. pref. | .... | 40 | .. | .. | .. |
| x22 | 10 | . | ... | Tooke Bros. | .... | .. | .. | .. | .. |
| x67 | 48½ | . | ... | Do. pref. | .... | .. | .. | .. | .. |
| 17½ | 7 | 1 | ... | Tor. Elevators | .... | 16 | .. | .. | .. |
| 210 | 125 | 10 | 6.2 | Tor. Gen. Tr. | .... | 162 | .. | .. | .. |
| 108 | 85 | 6 | 6.3 | Toronto Mtge. | 7 | 98½ | 95 | 95 | 95 |
| ½ | ¼ | . | ... | Traymore | .... | ¼ | .. | .. | .. |
| 2½ | 2 | . | ... | Do. pref. | .... | 2 | .. | .. | .. |
| 120 | 103 | 7 | 6.6 | Tuckett Tob. p. | .... | 106½ | .. | .. | .. |
| 5 | 2 | . | ... | Twin City | .... | 5 | .. | .. | .. |
| b24½ | 7 | . | ... | Do. pref. | .... | .. | .. | .. | .. |
| 37 | 23 | . | ... | Do. (notes) | .... | 23 | .. | .. | .. |
| 7 | 1½ | . | ... | Union Gas | 215 | 3½ | 4 | 3½ | 3½ |
| 100 | 85 | . | ... | Union Trust | .... | 85 | .. | .. | .. |
| x8 | 8 | . | ... | United Fuel | .... | .. | .. | .. | .. |
| 15 | 8 | . | ... | Do. pref. | 10 | 9½ | 9½ | 7 | 7 |
| 24½ | 18 | 2 | 10 | United Secs. | .... | 20 | .. | .. | .. |
| 11 | 5 | . | ... | Viau Biscuit | .... | 5 | .. | .. | .. |
| 75 | 69 | . | ... | Do. pref. | .... | 59 | .. | .. | .. |
| 12 | 4 | . | ... | Wabasso Cot. | .... | 5¼ | .. | .. | .. |
| 8 | 2½ | . | ... | Walker-Good. | 1354 | 5⅝ | 5⅝ | 5 | 5 |
| 12 | 9 | 1 | 10.5 | Do. pref. | 1507 | 9⅝ | 9½ | 9⅜ | 9⅝ |
| 3½ | 1 | . | ... | Waterloo Mfg. | .... | 1⅜ | .. | .. | .. |
| 80 | 75 | 7 | ... | W. Koot. Pr. p | .... | 80 | .. | .. | .. |
| 8 | 5½ | . | ... | West C. Flour | .... | 8 | .. | .. | .. |
| 60 | 54 | 6.50 | 11.8 | Do. pref. | .... | 55 | .. | .. | .. |
| 12½ | 10 | . | ... | West. Grocers | .... | 11½ | .. | .. | .. |
| 60½ | 43 | 7 | 11.7 | Do. pref. | .... | 60 | .. | .. | .. |
| x91 | 85 | . | ... | W. Steel Pr. p | .... | .. | .. | .. | .. |
| 28 | 16½ | 1 | 5.1 | Weston Bisc. | 35 | 20½ | 19⅞ | 19⅝ | 19⅝ |
| 70 | 65 | 7 | 10.4 | Do. pref. | 20 | 67 | 67 | 67 | 67 |
| 10 | 3 | . | ... | Windsor Hotel. | .... | 3 | .. | .. | .. |
| 38 | 10 | . | ... | Do. pref. | .... | 11 | .. | .. | .. |
| 8 | 2 | . | ... | Winnipeg Elec. | 225 | 3 | 3½ | 3 | 3½ |
| 20 | 6 | . | ... | Do. pref. | 20 | 7½ | 8 | 8 | 8 |
| x46 | 46 | . | ... | Woods Mfg. p. | .... | .. | .. | .. | .. |
| 1 | 1 | . | ... | Zimmerknit, c. | .... | 1 | .. | .. | .. |

x Quotations for 1931. No sales recorded in 1932-33 to date.
b New York Quotations.
‡ Quotations for 1930.
† Plus 30c. extra paid Jan. 2, 1932.
* Plus final div. of 17½c paid March 31, 1932.
§ Plus 20c. extra paid. Dec. 1.
▲ Stock dividend.
♦ On account of arrears covering quarter ended Mar. 31, 1932.

## Bowring to Send Fleet To Spring Seal Fishing

Bowring Brothers, Limited, leading seal fishers in Newfoundland will send their full fleet to the ice this year despite the poor outlook from a marketing standpoint, according to a report from St. John's Newfoundland. Job Brothers & Co., the other firm interested in the seal fishing, have not yet decided whether or not they will send any vessels this spring, it was stated. They expect to make a decision some time in February.

Last season only three of Bowring Brothers boats and one of Job Brothers made returns and the catch was very unsatisfactory. Four of Bowring Bros. vessels will set out this spring.

## Active Provincial and Municipal Bonds

Quotations furnished by A. E. Ames & Co., Canada Permanent Building, Toronto, Ont.

January 9, 1933

| | Rate | Actual Maturity | Next Int. Date | Price | Yield |
|---|---|---|---|---|---|
| *Alberta | 4½ | 1 Oct., 1958 | 1 Apr | 86.00 | 5.52 |
| Alberta | 5 | 1 July 1943 | 1 July | 93.50 | 5.88 |
| Alberta | 6 | 1 Mar., 1947 | 1 Mar. | 100.00 | 6.00 |
| *British Columbia | 4½ | 1 Oct., 1953 | 1 Apr. | 87.00 | 5.55 |
| *British Columbia | 5 | 15 Jan., 1948 | 15 Jan. | 96.00 | 5.39 |
| British Columbia | 6 | 15 Feb., 1947 | 15 Feb. | 101.00 | 5.90 |
| Manitoba | 4 | 1 July 1947 | 1 July | 81.50 | 5.92 |
| †Manitoba | 5 | 2 Dec., 1959 | 2 June | 94.50 | 5.39 |
| Manitoba | 6 | 1 Apr., 1947 | 1 Apr. | 99.50 | 6.05 |
| *New Brunswick | 4 | 1 June 1948 | 1 June | 91.30 | 4.80 |
| *New Brunswick | 4½ | 15 June 1936 | 15 June | 100.00 | 4.75 |
| New Brunswick | 5½ | 1 May 1950 | 1 May | 103.25 | 5.21 |
| *Nova Scotia | 4½ | 15 Nov., 1948 | 15 May | 97.75 | 4.70 |
| Nova Scotia | 5 | 1 May 1943 | 1 May | 100.50 | 4.94 |
| *Ontario | 4½ | 1 Sept., 1944 | 1 Mar. | 102.50 | 4.23 |
| Ontario | 5 | 15 Oct., 1948 | 15 Apr. | 102.50 | 4.77 |
| Ontario | 5½ | 1 Feb., 1947 | 1 Feb. | 106.50 | 4.87 |
| P. E. I. | 4 | 1 Apr., 1939 | 1 Apr. | 93.20 | 5.25 |
| P. E. I. | 6 | 1 May, 1947 | 1 May | 107.55 | 5.25 |
| *Quebec | 4½ | 1 May, 1961 | 1 May | 100.50 | 4.22 |
| Saskatchewan | 4½ | 1 Oct., 1944 | 1 Apr. | 85.00 | 6.30 |
| Saskatchewan | 5 | 1 Oct., 1950 | 1 Apr. | 88.00 | 6.10 |
| Saskatchewan | 6 | 15 Mar., 1952 | 15 Mar. | 97.50 | 6.22 |
| *Newfoundland | 5 | 31 Dec., 1952 | 30 June | 58.00 | 9.84 |
| *Newfoundland | 5½ | 1 July, 1939 | 1 July | 65.50 | 13.69 |
| *Newfoundland | 6½ | 30 June, 1936 | 30 June | 78.00 | 14.75 |
| **Cities** | | | | | |
| *Montreal | 5 | 1 Sept., 1963 | 1 Mar. | 106.55 | 4.60 |
| *Toronto | 4½ | 1 Jan., 1955 | 1 June | 98.60 | 4.60 |
| *Vancouver | 5 | 15 Jan., 1970 | 15 Jan. | 88.50 | 5.75 |
| Winnipeg | 5 | 1 Mar., 1944 | 1 Mar. | 91.75 | 6.00 |
| *Edmonton | 5½ | 1 Apr., 1947 | 1 Apr. | 85.25 | 7.15 |
| Calgary | 5 | 1 Jan., 1943 | 1 July | 84.20 | 7.25 |
| Halifax | 6 | 1 July, 1951 | 1 July | 108.80 | 5.25 |
| St. John | 5 | 15 Dec., 1950 | 15 June | 97.10 | 5.25 |
| Regina | 4½ | 1 July, 1950 | 1 July | 73.40 | 7.20 |
| Victoria | 5 | 21 July, 1945 | 21 Jan. | 87.98 | 6.50 |
| Quebec | 5 | 1 June, 1948 | 1 June | 101.50 | 4.86 |

* Payable in New York.

## Listed Bond Quotations

Week Ending January 9

| Montreal | Rate | Due | Yield | Bid | High | Low | Range, 1932-33 High | Range, 1932-33 Low |
|---|---|---|---|---|---|---|---|---|
| Abitibi, 1st mtg.§ | 5 | 1953 | ... | 14 | ... | ... | 46 | 19½ |
| Asbestos | 5 | 1942 | ... | 21 | ... | ... | 65½ | 49 |
| Asbestos, 1st mtge. | 6 | 1941 | ... | 5½ | ... | ... | *20 | 14 |
| Do., Gen. mtge. | 6 | 1956 | ... | ... | ... | ... | *9 | ... |
| Can. Cons. Rub. | 6 | 1946 | ... | ... | ... | ... | *69½ | ... |
| Can. Cottons | 5 | 1940 | ... | ... | ... | ... | *91 | 90 |
| Can. Forgings | 6 | 1942 | ... | ... | ... | ... | *100 | ... |
| Can. Locomotive | 6 | 1951 | ... | ... | ... | ... | ‡96 | ... |
| Can. Pr. (Laur.) | 5½ | 1958 | ... | ... | ... | ... | 7 | 5 |
| Do. (Way. Ser.) | 5½ | 1958 | ... | ... | ... | ... | *28½ | 5½ |
| Can. S.S. Debs. | 5 | 1943 | ... | ... | ... | ... | 83½ | ... |
| Cedars Rapids | 5 | 1953 | 5.52 | ... | ... | ... | 101 | 95 |
| Dom. Canners | 6 | 1940 | ... | ... | ... | ... | ‡103 | ... |
| Dominion Coal | 5 | 1940 | ... | ... | ... | ... | 50 | 31 |
| McNish | 6 | 1948 | ... | 1.00 | ... | ... | 3.50 | 1.00 |
| Mex. L. & Pr. | 5 | 1940 | ... | 48 | ... | ... | *73½ | 70½ |
| Mtl. L.H.&Pr. debs. | 3 | 1939 | ... | 40½ | 41 | 39½ | 44 | 35 |
| Mont. Tr. 1st mtg.§ | 5 | 1941 | 5.80 | 95½ | ... | ... | 98½ | 90½ |
| Mont. Trams. "A"§ | 5 | 1955 | 7.19 | 76½ | ... | ... | 85½ | 69½ |
| Do., G. & Ref. "B" | 5 | 1955 | 7.08 | 76½ | ... | ... | 79½ | 78½ |
| Do., "C" | 4½ | 1955 | 6.48 | ... | ... | ... | 77½ | 77 |
| Do., "D" | 5 | 1955 | 7.08 | 76½ | ... | ... | 81 | 78 |
| N.S. Steel | 5 | 1959 | ... | †78 | ... | ... | *62½ | 59 |
| Ontario Steel | 6 | 1943 | 5.94 | ... | ... | ... | 100½ | ... |
| Porto R. Pr. | 5 | 1936 | ... | ... | ... | ... | *93 | 88 |
| Steel of Canada§ | 6 | 1940 | ... | 102 | ... | ... | 102½ | 100 |
| Wayagamack | 6 | 1951 | ... | ... | ... | ... | *75 | 45 |
| Winnipeg Elec.§ | 5 | 1935 | ... | 70 | ... | ... | 86 | ... |
| **Toronto** | | | | | | | | |
| Canada Bread | 6 | 1941 | ... | ... | ... | ... | *101½ | 100 |
| Steel of Canada | 6 | 1940 | ... | ... | ... | ... | 102½ | ... |
| **Dominion Govt. Bonds (Montreal)** | | | | | | | | |
| War Loan§ | 5 | 1937 | 1.87 | 112.00 | ... | ... | 110.00 | 102.00 |
| Victory Loan | 5½ | 1933 | 3.76 | 101.25 | ... | ... | 101.55 | 100.25 |
| Do. | 5½ | 1934 | 4.01 | 102.40 | 102.50 | 102.35 | 102.50 | 99.23 |
| Do. | 5½ | 1937 | 3.44 | 108.85 | ... | ... | 109.75 | 104.00 |
| Do., refund | 4½ | 1940 | 4.46 | 99.50 | ... | ... | 98.25 | 91.50 |
| Do., refund | 5 | 1943 | 4.62 | 103.15 | ... | ... | 102.50 | 95.38 |
| Do., refund | 4½ | 1944 | 4.53 | 99.25 | ... | ... | 97.50 | 89.50 |
| Do., refund | 4½ | 1946 | 4.86 | 98.85 | ... | ... | 96.25 | 91.50 |
| Conversion Loan | 4½ | 1956 | 4.76 | 96.25 | ... | ... | 96.25 | 88.25 |
| Do. | 4½ | 1957 | 4.77 | 96.25 | ... | ... | 96.00 | 88.50 |
| Do. | 4½ | 1958 | 4.66 | 97.25 | ... | ... | 99.37 | 88.50 |
| Do. | 4½ | 1959 | 4.66 | 98.35 | ... | ... | 99.50 | 88.75 |
| Nat. Service Loan | 5 | 1936 | 4.21 | 102.50 | ... | ... | 102.25 | 96.25 |
| Do. | 5 | 1941 | 4.55 | 102.85 | ... | ... | 102.25 | 95.00 |

†Latest ask. ‡Quotations for 1930. §Payable in New York.
*For 1931. None recorded in 1932-33 to date.

## Dividends Declared

| | Annual rate | Amt. this payment | Date payable | Date of record |
|---|---|---|---|---|
| Agnew Surpass, pref. | 7% | 1¾% | Apr 1 | Mar. 15 |
| Ajax Oil & Gas | 12c | 3c | Jan. 16 | Dec. 31 |
| Buywell Food, pref. | 70c | 17½c | Jan. 16 | Jan. 10 |
| B.C. Elec. Rly. pref. | 5% | 2½% | Jan. 15 | Jan. 5 |
| Bell Telephone | $7 | $1.75 | Jan. 16 | Dec. 23 |
| B. C. Power "A" | $2 | 50c | Jan. 16 | Dec. 31 |
| Brantford Cordage pfd. | 8% | 2% | Jan. 15 | Dec. 20 |
| Canada Northern Power | 80c | 20c | Jan. 25 | Dec. 31 |
| Do., pref. | 7% | 1¾% | Jan. 16 | Dec. 31 |
| Can. Light & Power | $1 | 50c | Jan. 16 | Dec 31 |
| Canadian Car, pref. | $1.75 | 44c | Jan. 10 | Dec. 27 |
| Coniagas Mines | ... | 12½c | Jan. 10 | Dec. 30 |
| Canadian Dredge | ... | $1 | Feb. 1 | Jan. 16 |
| Do., pref. | 7% | 1¾% | Feb. 1 | Jan. 16 |
| Crescent Creamery, pfd. | 7% | 1¾% | Jan. 16 | Dec. 31 |
| Canada Bud Brew. | $1 | 25c | Jan. 16 | Dec. 31 |
| Can. Fairbanks, pref. | 6% | 1½% | Jan. 14 | Dec. 31 |
| Canada Dry | $1 | 25c | Jan. 16 | Jan. 3 |
| Can. Bronze | $1.25 | 31¼c | Feb. 1 | Jan. 20 |
| Do., pref. | 7% | 1¾% | Feb. 1 | Jan. 20 |
| Can. Wineries | 20c | 10c | Jan. 15 | Dec. 31 |
| Can. Industries pref. | $7 | $1.75 | Jan. 16 | Dec. 31 |
| Do., com. "A" | $3.50 | 87½c | Jan. 31 | Dec. 31 |
| Do., com. "B" | $3.50 | 87½c | Jan. 31 | Dec. 31 |
| Calgary Power pref. | 6% | 1½% | Feb 1 | Jan. 14 |
| Cons. Min. & Smelting | ... | *10% | ...... | |
| Can. Fire Insur. c. | $4 | $2 | Jan. 3 | Dec. 24 |
| Can. Foreign Inv. pfd. | ... | †$2 | Jan. 18 | Jan. 10 |
| Dominion Bridge | $2 | 50c | Feb. 15 | Jan. 31 |
| Do. | ... | 50c | May 15 | Apr. 29 |
| Dome Mines | $1 | 25c | Jan. 20 | Dec. 31 |
| Do., extra | ... | 10c | Jan. 20 | Dec. 31 |
| Dom. Textile pref. | 7% | 1¾% | Jan. 16 | Dec. 31 |
| Eastern Dairies, pfd. | 7% | 1¾% | Jan. 16 | Dec. 31 |
| Eastern Theatres pfd. | 7% | 3½% | Jan. 31 | Dec. 31 |
| Eastern Steel, pref. | 7% | 1¾% | Jan. 13 | Dec. 19 |
| Falconbridge Nickel | ... | 10c | Jan. 20 | Jan. 14 |
| Guarantee of N. America | $6 | $1.50 | Jan. 16 | Dec. 31 |
| Do., extra | $10 | $2.50 | Jan. 16 | Dec. 31 |
| Hollinger Gold | 65c | 5c | Jan. 28 | Jan. 13 |
| Inter. Nickel, pref. | 7% | 1¾% | Feb. 1 | Jan. 3 |
| Imperial Bank | 10% | 2½% | Feb. 1 | Dec. 31 |
| Investment Foundation, pfd. | 3% | 38c | Jan. 16 | Dec. 31 |
| Do. on arrears | ... | 12c | Jan. 16 | Dec. 31 |
| Inter. Hydro-Elec. pfd. | $3.50 | 87½c | Jan. 16 | Dec. 28 |
| Inter. Utilities pfd. | $7 | $1.75 | Feb. 1 | Jan. 16 |
| Do., pfd. | $3.50 | 87½c | Feb. 1 | Jan. 16 |
| Do., pfd | $1.75 | 43¾c | Jan. 16 | Dec. 31 |
| Lambton Loan & Inv. | $4 | $2 | Jan. 3 | Dec. 15 |
| Montreal L. H. & Pr. | $1.50 | 38c | Jan. 31 | Dec. 31 |
| Moore Corp. "A" pref. | 7% | 1¾% | Jan. 16 | Jan. 3 |
| Do., "B" pref. | 7% | 1¾% | Jan. 16 | Jan. 3 |
| Montreal Telegraph | $3.20 | 80c | Jan. 16 | Dec. 31 |
| McColl-Frontenac pref. | $6 | $1.50 | Jan. 14 | Dec. 31 |
| Montreal Tramways | 9% | 2¼% | Jan. 14 | Jan. 5 |
| National Biscuit | $2.80 | 70c | Jan. 14 | Dec. 16 |
| Northern Ont. Power | $2 | 50c | Jan 25 | Dec. 31 |
| Do., pref. | 6% | 1½% | Jan 25 | Dec. 31 |
| N.B. Telephone c. | 50c | 12½c | Jan. 15 | Dec. 31 |
| Penmans | $3 | 75c | Feb. 15 | Feb. 6 |
| Do., pref. | 6% | 1½% | Feb. 1 | Jan. 21 |
| Piggly Wiggly, pfd. | $7 | $3.50 | Jan. 14 | Dec. 31 |
| Power Corp. pref. | $6 | $1.50 | Jan. 16 | Dec. 31 |
| Do., 2nd pref. | $3 | 75c | Jan. 16 | Dec. 31 |
| Russell Motor pfd. | 7% | 1¾% | Feb. 1 | Dec. 31 |
| Southern Can Power pref. | 6% | 1½% | Jan. 16 | Dec. 20 |
| Southern Can Power c. | $1 | 25c | Feb. 15 | Jan. 31 |
| Shawinigan W. & Pr. | 50c | 13c | Feb. 15 | Jan. 21 |
| Steel of Canada pfd. | $1.75 | 43¾c | Feb. 1 | Jan. 7 |
| Do., com. | $1.75 | 43¾c | Feb. 1 | Jan. 7 |
| Teck Hughes | 60c | 15c | Feb. 1 | Jan. 17 |
| Toronto Elevators, pfd. | 7% | 1¾% | Jan. 15 | Jan. 3 |
| Tuckett Tobacco, pfd. | 7% | 1¾% | Jan. 14 | Dec. 31 |
| United Securities | $2 | 50c | Jan. 16 | Dec. 31 |
| Western Grocers pref. | 7% | 1¾% | Jan. 15 | Dec. 20 |
| Waterloo Trust | $6 | $3 | Jan. 2 | Dec. 20 |

*Stock dividend. Payable subject to shareholders' approval at meeting called for Feb. 1, 1933.

†Payable on account of arrears for quarter ended Mar. 31, 1932.

**Dividends Passed or Deferred:**

Consolidated Sand. pref., Feb. 15, to be deferred. Last paid 50c. Nov. 15, 1932.

Standard Paving, pref., Feb. 15, to be deferred. Last paid 50c. Nov. 15, 1932.

Russell Motor Car, com., Feb. 1 passed. Last paid 25c, Nov. 1, 1932.

Greening B. Wire, pref., Jan. 3 deferred. Last paid $1.75 Oct. 1, 1932.

**Dividend Rate Reduced:**

Canada Dry, Jan. 16, reduced from 30c to 25c quarterly.
N.B. Telephone, c. Jan. 15, reduced from 15c to 12½c quarterly.
Montreal Tramways 2¼% Jan. 14, reduced from 2½% quarterly.
Lambton Loan Jan. 3, reduced from $5 to $4 per annum.
Waterloo Trust Jan. 2 reduced from $7 to $6 per annum.

**Extra Dividends:**

Dome Mines, 10c, Jan. 20.
Guarantee of N. America, $2.50 Jan. 16.

## Winnipeg Stock Exchange

(Transactions for week to Jan. 7)

| Div. Rate in $ | Yield in % | | Sales | High for week | Low for week | Close Jan. 7 |
|---|---|---|---|---|---|---|
| .. | .. | Assoc. Breweries c. | 30 | 5 | 5 | 5 |
| .. | .. | Bobjo Mines | 2000 | .10 | .09 | .10 |
| .. | .. | Calmont Oil | 100 | .06 | .06 | .06 |
| .. | .. | Central Manitoba | 2500 | .10 | .06 | .08 |
| .. | .. | *Eldorado | 200 | 1.47 | 1.47 | 1.47 |
| 20 | 8.7 | Great West Life | 5 | 230 | 230 | 230 |
| .. | .. | International Nickel | 10 | 9½ | 9½ | 9½ |
| .. | .. | Island Lake | 1000 | .18 | .18 | .18 |
| .. | .. | San Antonio | 300 | .93 | .93 | .93 |
| 1.75 | 10.9 | Steel of Canada c. | 20 | 16 | 16 | 16 |
| .. | .. | Traders Building | 5 | 75 | 75 | 75 |
| .. | .. | Western Breweries | 20 | 1 | 1 | 1 |

**Stocks Not Traded in During Week***

| | Bid | Ask | | Bid | Ask |
|---|---|---|---|---|---|
| Beaver Lumb. pf. | .. | 79 | Sov. Life 25% pd. | 13 | .. |
| Beaver Fire | .. | 100 | United Grain | 10 | 11 |
| City Dairy 8% pf. | .. | 50 | West. St. Prod., pf. | .. | 30 |
| Can. Fire Insur. | 50 | .. | Can. Amer. Tr. shs. | .. | 2½ |
| Cres. Cream. pfd. | .. | 60 | Fundamental Series "A" | .. | 3½ |
| Nor. Mtg. part pd. | .. | 5 | Fundamental Series "B" | .. | 3½ |
| Pelissiers pref. | 10 | .. | Grouped Inc. shs. | 3.35 | 3.70 |
| Nor. Can. Mtg. pf. | .. | 15 | | | |
| Northern Trust | .. | 25 | | | |
| Reliance Grain pf. | .. | 55 | | | |

*Stocks more active on other exchanges not included.

## Unlisted Canadian Stocks

(Furnished by A. J. Pattison, Jr. & Co., Limited) Investment Bankers, Toronto

January 10, 1933

| Industrial Stocks: | Bid | Asked |
|---|---|---|
| Acadia Sugar c. | .35 | .60 |
| Acadia Sugar 6% pfd. | 2.75 | 3.25 |
| Acme Farmers Dairy 7% pfd. | 62.00 | .... |
| Acme Glove pfd. bonus c. | 7.50 | 9.75 |
| Agnew Surpass 7% pfd. | 65.50 | 69.00 |
| Allens Beach 7% pfd. bonus c. | 31.50 | .... |
| Allens College 7% pfd. bonus c. | 31.50 | .... |
| Allens London 7% pfd. bonus c. | 31.50 | .... |
| Allens St. Clair 7% pfd. bonus c. | 31.50 | .... |
| Allens St. Cath. 7% pfd. bonus c. | 31.50 | .... |
| Allens Toronto 7% pfd. bonus c. | 15.00 | |
| Andian Nat. Corp. | 19.50 | 22.50 |
| B.C. Pulp & Paper pfd. | 5.25 | 8.00 |
| Burns pfd. bonus com. | 3.50 | 5.50 |
| Canada & Dom. Sugar | 21.25 | 22.50 |
| Canada Mach. c. | 1.50 | 3.00 |
| Canada Mach. pfd. | 12.00 | 18.00 |
| Canada Pack. c. | 10.75 | 12.50 |
| Canada Packers 7% pfd. | 70.25 | 72.00 |
| Canada Starch 7% pfd. | 61.00 | 68.00 |
| Canada Tea 7% pfd. | 48.25 | 53.00 |
| Canada Wire & Cable 6½% pfd. W.W. | 71.00 | .... |
| Can. Industries c. "A" | 69.00 | 72.00 |
| Can. Industries c. "B" | 68.50 | .... |
| Can. Industries 7% pfd. | 114.00 | 116.00 |
| Can. Westing. | 36.00 | .... |
| Chase, A. W. 4% pfd. bonus c. | .... | 16.00 |
| Claude Neon Gen. Adv. Units | 17.50 | 20.00 |
| Claude Neon Gen. Adv. c. | .50 | 1.00 |
| Dom. Foundries & Steel 8% pfd. | .... | 63.25 |
| Dom. Foundries & Steel c. | .... | 4.25 |
| Dom. Manufacturers 7% pfd. | .... | 69.00 |
| Dunlop Tire 7% pfd. | 42.00 | 44.00 |
| Eastern Dairies Ltd. 7% pfd. | .... | 61.00 |
| Edmonton Stock-yards Units | .... | 51.00 |
| Federal Grain 6½% pfd. | 20.00 | 25.00 |
| Gen. Steel Wares pfd. | 5.25 | 6.50 |
| Goderich Elevator & Transit | 7.00 | 8.00 |
| Greening Wire 7% pfd. | .... | 62.75 |
| Guardian Realty 7% pfd. | 15.50 | 23.00 |
| Guelph Carpet 6½% pfd. bonus | 66.00 | 72.00 |
| Guelph Carpet c. | 4.25 | .... |
| Inter City Bak. c. | .... | 17.25 |
| Inter. Proprietaries "A" | 25.50 | 26.50 |
| Langleys Ltd. 7% pfd. | 25.50 | 35.00 |
| Loew's London c. | .40 | .90 |
| Loew's London 7% pfd. | 3.00 | 4.00 |
| Maple Leaf Gdns. 7% pfd. bonus | 2.10 | 3.00 |
| Massey-Harris 5% pfd. | 12.00 | 13.00 |
| Mount Royal Hotel com. | .25 | .... |
| Mount Royal Hotel 6% pfd. | .... | 3.80 |
| Nat. Grocers c. | .35 | .80 |
| National Grocers 7% 2nd pfd. | 38.00 | 41.00 |
| National Sewer Pipe c. | 6.00 | .... |
| Neilson, Wm., c. | 4.25 | .... |
| Provincial Paper 7% pfd. | 34.25 | 40.00 |
| Reliance Grain 6½% pfd. | .... | 55.00 |
| Rolland Paper 6% pfd. W.W. | .... | 28.50 |
| Standard Clay Products c. | .... | 16.00 |
| Standard Fuel 6½% pfd. bonus | 56.50 | 58.00 |
| Supertest Petroleum "B" | 16.00 | 20.00 |

| Industrial Stocks: | Bid | Asked |
|---|---|---|
| Toronto Brick 7% pfd. | .... | |
| Toronto Carpet 8% pfd. | .... | |
| Toronto Elevators 7% pfd. | 73.50 | |
| Western Grain 6½% pfd. bonus | .... | |
| Willards Choc. pf. | .... | |
| **Insurance Stocks:** | | |
| Br. Amer. Assce. | 30.50 | |
| Canada Life Ass. | 401.00 | |
| Can. Fire Ins. | 52.00 | |
| Confederation Life 20% pd. | 125.00 | |
| Continental Life 20% pd. | 39.50 | |
| Crown Life Ins. | 85.00 | |
| Dom. Fire Ins. | 81.00 | |
| Dom. Life 50% pd. | .... | |
| Dom. of Can. Gen. Ins. | 110.00 | |
| Excelsior Life 30% pd. | 81.00 | |
| Fidelity Ins. of Can. | .... | |
| Great West Life Assce. | 228.00 | 240.0 |
| Guarantee Co. of N. A. | 225.00 | .... |
| Halifax Fire Ins. | 10.50 | |
| Imperial Life | 246.00 | 260.00 |
| Manufacturers Life Ins. | 231.00 | 245.00 |
| Monarch Life 10% pd. | 16.00 | .... |
| National Life 25% pd. | 66.00 | 70.00 |
| Saskatchewan Life 10% pd. | 11.00 | 15.00 |
| Sovereign Life 25% pd. | 16.00 | 21.00 |
| Sun Life Assur. | 300.00 | 325.00 |
| Western Assur. c. | 14.25 | 18.00 |
| Western Life 20% pd. | 7.75 | .... |
| **Trust & Loan Stocks:** | | |
| Can. Gen. Invest. Ltd. | 3.10 | 3.25 |
| Chartered Trust | 62.00 | .... |
| Debenture & Sec. 5% pfd. | .... | 20.00 |
| Eastern Can. Sav. & Loan | 105.00 | 110.00 |
| Eastern Trust | 140.00 | 150.00 |
| Guelph & Ont. Inv. par $50 | 44.00 | 50.00 |
| Investment Foundation Units | 18.50 | 22.00 |
| Lambton Loan & Savings | 50.00 | 56.00 |
| London & Western Trust | 83.25 | 85.00 |
| Mtge. Disc. pfd. | 2.25 | 3.00 |
| Mutual Finance 8% pfd. | .... | 2.25 |
| Premier Trust | .... | 82.00 |
| Provincial Bank | 95.00 | 98.00 |
| Security Loan & Savings | 95.00 | 103.00 |
| Sherbrooke Trust | 100.50 | 110.00 |
| Sterling Trust | 52.50 | 57.00 |
| Traders Fin. c. | .... | .70 |
| Traders Finance 7% "A" pfd. | 18.25 | 20.00 |
| Trusts & Guar. | .... | 51.00 |
| Victoria Trust & Savings | .... | 175.00 |
| Waterloo Trust & Savings | 95.50 | 120.00 |
| **Power Issues:** | | |
| B.C. Elect. Pwr. & Gas pfd. | 90.00 | 91.00 |
| Calgary Power 6% pfd. | 65.50 | 67.00 |
| Can. Light & Power c. | 12.00 | 16.00 |
| Can. West. Nat. Gas LH&P c. | 21.00 | 25.00 |
| Can. West. Nat. Gas LH&P pfd. | 70.00 | 72.00 |
| Great Lakes Pwr. 7% pfd. | .... | 64.00 |
| Maritime Tel. & Tel. c. | 8.50 | 10.00 |
| Maritime Tel. & Tel. 7% pfd. | 10.25 | 11.75 |
| N.B. Tel. c. | 6.75 | 8.25 |
| Nova Scotia L&P 6% pfd. | 66.00 | 72.00 |

**Recent London Quotations:**

| | |
|---|---|
| Brewers & Distillers | 8s. 9d. |
| Can. & For. sec. | 3s. 9d. |
| Can. West. Lumber | 1s. |
| Hudson's Bay | 17s. 6d. |
| Do., 5% pref. | 71s. 3d. |
| Internat. Holdings | $1¼ |
| Nfld. Pr. & Pap. deb. stock "B" | 88 |
| Trust & Loan of Can. | 1s. 9d. |

## Active Unlisted Bonds

(Furnished by A. J. Pattison, Jr. & Co., Limited)

January 10, 1933

| Industrial Bonds: | Bid | Asked |
|---|---|---|
| Abitibi P. & P. 5% 1953 | 16.00 | 17.00 |
| Acadia Sugar 6% 1946 | 84.50 | 87.00 |
| Alta. Pac. Grain 6% 1946 | 70.00 | 73.00 |
| American Sales Book 6% 1939 | 105.00 | .... |
| Arnold Bros. 6% 1947 | .... | 40.00 |
| B. A. Oil 5% 1945 | 86.00 | 88.00 |
| Can. Biscuit 6½% 1946 | 27.00 | 32.00 |
| Can. Bread 6% 1941 | 82.00 | 85.00 |
| Can. Cement 5½% 1947 | 63.00 | 67.00 |
| Can. Bakeries 6½% 1945 | 50.00 | 60.00 |
| Can. Canners 6% 1950 | 80.50 | 85.00 |
| Can. Copper Refin. 6% 1945 | 96.00 | 100.00 |
| Can. Cottons 5% 1940 | 83.00 | 85.00 |
| Can. Steamship 6% 1941 | 20.00 | 28.00 |
| Can. Vickers 6% 1947 | 62.00 | 65.00 |
| Cons. Invest. 4½% 1959 | 39.00 | 41.00 |
| Cosmos Imp. Mills 6½% 1944 | 80.00 | 85.00 |
| Davies, Wm. 6% 1942 | 86.00 | 90.00 |
| Debenture & Sec. 4% 1936 | 53.00 | 56.00 |
| Dom. Manufacturers 6% 1933 | 95.00 | .... |
| Dom. Tar & Chemical 6% 1949 | 55.00 | 58.00 |
| Dom. Telegraph 5½% 1978 "A" | 85.50 | 87.00 |
| Dom. Textile 6% 1949 | 95.00 | 100.00 |
| Dom. Woollens 6% 1948 | 8.00 | 15.00 |
| Donnacona Paper 5½% 1948 | 14.00 | 18.00 |
| Eaton Realty 5% 1949 | 79.00 | 81.00 |
| Famous Players 6% 1948 | 68.00 | 71.00 |
| Famous Players 6½% 1948 | 45.00 | 48.00 |
| Federal Grain 6% 1949 | 70.00 | 72.00 |
| Fraser Co. 6% 1932 | 10.00 | .... |
| Fraser Co. 6% 1950 | 10.00 | .... |
| Galt Brass 7½% 1941 | .... | 30.00 |
| Goodyear Cotton 6% 1949 | 96.00 | .... |
| Great Lakes Paper 6% 1950 | 15.75 | 18.00 |
| Gypsum, Lime & Alab. 5½% 1948 | 40.00 | 44.00 |
| Harris Abattoir 6% 1947 | 87.00 | 89.00 |
| Howard Smith 5½% 1953 | 54.00 | 56.00 |
| Loew's Toronto 6% Serial | 99.00 | .... |
| London Realty 6½% 1950 | 40.00 | 45.00 |
| Maple Leaf Milling 5½% 1949 | .... | 43.00 |
| Massey-Harris 5% 1947 | .... | 56.00 |
| McColl-Frontenac 6% 1949 | 84.00 | 86.00 |
| McKinnon Industries 6½% 1945 | 93.00 | 97.00 |
| Mercury Mills 5½% 1953 | .... | 40.00 |
| Metropolitan Bldg. 7% 1944 | 88.00 | .... |
| Nor. Ont. Bldg. 6½% 1939 | 68.00 | 72.00 |
| Price Bros. 6% 1943 | 26.00 | 29.00 |
| Richmond Bay 6½% 1947 | 62.50 | 68.00 |
| Rolland Paper 5½% 1948 | 73.00 | 75.00 |
| Simpsons Ltd. 5½% 1949 | 51.00 | 55.00 |
| Simpsons Ltd. 6% 1949 | 55.00 | 57.00 |
| Steel of Canada 6% 1940 | 103.00 | 106.00 |
| Toronto Carpet 6% 1944 | 75.00 | 80.00 |
| United Gas & Fuel 5½% 1948 | 53.00 | 56.00 |
| United Grain Growers 5% 1948 | 71.00 | 73.00 |
| United Grain Growers 5½% 1949 | 73.00 | 75.00 |
| Western Grain 6% 1949 | 59.00 | 63.00 |
| **Public Utility Bonds:** | | |
| Bell Telephone 5% 1955 | 111.50 | 113.00 |
| Bell Telephone 5% 1957 | 110.50 | 113.00 |
| B. C. Power 5½% 1960 | 83.00 | 85.00 |
| B. C. Telephone 5% 1960 | 88.00 | 92.00 |
| Calgary Power 5% 1960 | 77.00 | 78.00 |
| Can. Northern Pwr. 5% 1953 | 75.00 | 78.00 |
| Duke Price Pwr. 6% 1966 | 49.25 | 51.00 |
| Elect. Develop. 5% 1933 | 112.00 | 116.00 |
| French Natl. Mail SS 6% 1952 | 120.00 | 125.00 |
| Gatineau Pwr. 6% 1941 "A" | 55.00 | 58.00 |
| Gatineau Pwr. 5% 1956 | 78.00 | 79.00 |
| Inter. Power 6½% 1957 | 42.00 | 46.00 |
| Maclaren Quebec 5½% 1961 | 72.00 | 74.00 |
| Manitoba Power 5½% 1951 | 50.00 | 55.00 |
| Montreal Isl. Pwr. 5½% 1957 | 101.00 | 103.00 |
| Montreal LH&P 5% 1951 | 106.75 | 108.00 |
| Montreal LH&P 5% 1970 | 105.75 | 107.00 |
| Montreal Tram 5% 1941 July | 96.25 | 97.00 |
| Montreal Tram 5% 1955 | 77.25 | 78.00 |
| Northwest. Utilities 7% 1938 | 90.00 | 95.00 |
| Ottawa Valley Pwr. 5½% 1970 | 96.00 | 97.00 |
| Quebec Power 5% 1968 | 93.00 | 96.00 |
| Rio Tramways 5% 1935 | 86.00 | .... |
| Shawinigan W&P 4½% 1970 | 65.00 | 68.00 |
| Shawinigan W&P 6% 1937 | 83.00 | 86.00 |
| Shawinigan W&P 5% 1970 | 75.00 | 78.00 |
| Southern Can. Pwr. 5% 1955 | 93.50 | 97.00 |
| West Kootenay Pwr. 5% 1956 | 88.50 | 90.00 |
| **Government. Provincial & Railway Bonds:** | | |
| C.N.R. 4½% 1951 Dom. Gtd. | 98.00 | 98.50 |
| C.N.R. 4½% 1957 Dom. Gtd. | 98.00 | 98.50 |
| C.N.R. 5% 1969 Dom. Gtd. | 104.25 | 104.75 |
| C.P.R. 4½% 1944 | 78.00 | 80.00 |
| C.P.R. 5% 1954 | 94.00 | 96.00 |
| Dom. of Can. 5% 1936 | 102.50 | 103.00 |
| Dom. of Can. 5% 1941 | 102.75 | 103.25 |
| G.T.P. 3% 1962 Dom. Gtd. | 77.75 | 78.50 |
| G.T.P. 4% 1962 Dom. Gtd. | 91.50 | 92.00 |
| Ont. Hydro 3½%, 4%, 5%, 1952 Ont. Gtd. | 88.25 | 89.00 |
| Ont. Hydro 4¾% 1970 Ont. Gtd. | 96.50 | 97.50 |
| Ont. Hydro 4% 1957 Ont. Gtd. | 90.50 | 91.50 |
| Prov. of N. B. 5½% 1950 | 102.25 | 103.00 |
| Prov. of Ont. 4½% 1944 | 101.25 | 102.00 |
| Prov. of Ont. 5% 1948 | 101.50 | 102.00 |
| Prov. of Ont. 5½% 1947 | 105.50 | 106.25 |

## Note re Unlisted Securities

Although The Financial Post strives to obtain the closest quotations possible on the unlisted stocks and bonds in the various tables on this page and the adjoining page, the quotations are not guaranteed and no responsibility is assumed in connection with them. In inactive markets, many quotations can be little more than nominal but it is felt that even a nominal quotation giving an idea of approximate price is better than none at all.

# LOAN COMPANIES FAIL TO FOLLOW PROVINCIAL LEAD

## Do Not Believe in General Plan of Relief For Mortgagees

From Our Own Correspondent

REGINA.—When Premier Anderson announced that the Provincial Farm Loans Board was to forgive one year's interest to mortgage borrowers in Saskatchewan and was to arrange funding of arrears of interest and principal, he also stated that the mortgage companies operating in the province would announce some plan of relief to borrowers. So far no further definite statement on the part of the mortgage companies has been made, but it is felt that no plan exactly paralleling that of the government is likely to be put into effect.

Those close to the situation point out that no general scheme is necessary to assure farmer borrowers that the mortgage companies are not likely to dispossess borrowers, and that such institutions have been working very hard to enable owners to carry on. The only mortgage holders to attempt to take advantage of any farmer's present distress are private individuals, of whom there have not been many as lenders, but a very considerable number vendors of land. Even in such cases the obvious fact is that the creditor's best security is usually the continued cultivation of the land by the present occupant.

### Hold Each Case Has Its Merits

Most mortgage managers want to preserve freedom to deal with each individual case on its merits. There are a certain number of such, although not a large percentage, where the borrower has been able to keep entirely up to date on principal, interest and taxes. There are many others where the managers feel, a few reasonably good years, or even one, would entirely change the picture and give reasonable assurance of the borrower's ability to meet all his obligations. There are other cases requiring special treatment where in order to keep a man on the farm some compromise is necessary.

If wheat prices stay for long where they have been lately it is recognized that the status of many loans will be permanently impaired, but most managers see no reason for making present assumptions as to wheat prices of the future. Some losses, and some readjustments are believed, in the west, to be inevitable, but any unnecessary concessions made in one case would simply impair the ability of a mortgage lender to deal with other cases.

The mortgage companies, it is believed, have a more flexible and suitable system for dealing with loans than has the government, and it is also claimed that their loans have been better selected, and on the whole are for more reasonable amounts.

Behind the whole question a political situation must be recognized, with members of the Legislature desirous of claiming credit for such relief as is afforded to borrowers, and anxious to have some type of special legislation introduced dealing with the mortgage question.

# ASSOC. BREWERIES DIVIDEND ACTION WAITS 6 MONTHS

## Disbursements on Common Depend on Half Year Results

From Our Own Correspondent

MONTREAL.—Directors of Associated Breweries of Canada have notified shareholders that no further consideration will be given to common dividends until results of the first half year are available. Announcement is made in a letter accompanying dividend cheques payable December 31 at the usual quarterly rate of 15 cents a share.

Two factors have influenced directors in making their decision. In the first place the company's business is subject to seasonal variation, the earlier months being less profitable than the later ones in any year. Exceptional conditions at present prevailing are the second consideration. It is stated, however, that the company's liquid position is still strong.

Associated Breweries is active in Alberta and Saskatchewan controlling breweries in Edmonton, Lethbridge, Regina and Prince Albert. Sales are keenly influenced by agricultural conditions and though the wheat crop last year showed sharp improvement in volume low prices continue to restrict purchasing power in the territory served.

Dividends totalling 60 cents a share were paid on the common in 1932 and it is understood that earnings were sufficient to cover this disbursement. In 1931 earnings were equal to $1.18 a share on the 224,600 shares of no par value. In addition to the common there is $1,215,700 of 7 per cent preferred.

The last balance sheet showed a working capital of $836,362 with current assets of $836,362 against current liabilities of $2,231. This does not take into consideration a liability of $1,018,626 consisting of loans from constituent companies. Current assets included $449,752 of Dominion of Canada and C. N. R. guaranteed bonds.

## Leather Footwear Imports Decline in November

There was a heavy drop in the importation of leather footwear in November probably reflecting the increased activity of late in the industry in Canada. The total importation was valued at $52,038 as compared with $82,063 in October and $100,623 in November a year ago. The twelve months' import was less than half what it was in the previous twelve months.

There has been a noticeable drop in the importation of women's leather footwear from the United States, and the old pre-eminence of the latter in that commodity is being challenged by products of Great Britain. Thus the imports of that class of footwear from the United States in November were 5,910 pairs valued at $8,963 and from the United Kingdom 5,128 pairs at $3,267. In October 10,810 pairs at $18,008 came from the United States and 6,601 pairs at $5,025 from the United Kingdom.

# NO NEED FOR HASTE; JOBLESS INSURANCE NOT '33 PANACEA

(Continued from page 1)

against which the insurance is effected may be more, or less, than the total contributions with interest, after deduction of expenses. An insurance plan must involve an insurable interest, in the form of the beneficiary being faced, but for the insurance, with a loss in property or human value which must be capable of valuation in terms of money; and, outside this insurable interest, there is, of course, no test of "means" or "need."

In "saving" plans on the other hand, either the individual or the group concept is possible; the return receivable by any individual may be claimed usually (though not necessarily) at any time, and is always the precise equivalent of the total contributions plus interest and after direct or indirect deduction of expenses.

Payments under "compensation" plans presuppose a prior injury for which the beneficiary, without contributions on his part, has the right of recompense. "Relief," finally, implies charitable assistance, for which the beneficiary has not paid money in advance, and need not, as in "compensation" plans, have furnished labor or any other effort; and here, of course, there must be some test of "means" or "need."

### Each Type Has Place

Each of these types has its place; but each type can perform only the special functions which flow naturally, without undue assistance or control, from whatever widely accepted principles have led to its adoption in any set of circumstances. By this analysis we see, also, that workmen's compensation is clearly "compensation," and is thus appropriately named. State sickness insurance, as it is generally organized in Europe, has usually been operated in conformity with insurance principles.

When we come to state pension plans, however, it is apparent that, in so far as they are non-contributory, they are in fact but little different from "relief;" and this becomes more clear when the scales of payment, as in the old-age pensions and mothers' allowances of the Canadian provinces, are determined by the recipient's resources—for this determination of resources is, in fact, but a rough test of "means." These distinctions are, I think, generally realized.

But when we come to examine many of the plans which today pass under the term "unemployment insurance," we find that by these tests there is frequently no element of real "insurance;" in many cases there are no prior responsibilities which place the payments within the "compensation" class; again they often are not truly "savings;" and finally the misunderstanding of their intent is such that, though the payments frequently are but mere "relief," the imposition of a "means" or "needs" test is opposed, and unconditional payment is demanded as a right.

### A Sound Philosophy Needed

Why is there this confusion, which so befogs the problem, and hinders a clear, straightforward, and undisguised solution? It seems to me the answer to this question has its roots in the philosophy by which the problem is approached. In the time at my disposal today it will not be possible to discuss with any fullness this most important aspect of the question. I would, however, commend it to your most earnest consideration. No plan of insurance, savings, compensation, or relief can possibly succeed unless its meaning and intent are clearly and sympathetically understood; nor can malingering and exploitation be avoided if the beneficiary's sense of obligation to the community, and his interest in the plan itself, are undermined by claims which can be made by the mere exercise of ingenuity.

We cannot demand the maximum by way of protection, and yet be unwilling to give something adequate in the nature of a minimum return. State workmen's compensation has succeeded, because it is founded, within reasonable limits, on a sound philosophy, based on the readily determinable relation between cause and effect in industrial accidents, and on direct certification of claims.

State sickness insurance, however, does not possess any such clearly satisfactory philosophy—for non-industrial accident and illness may be the outcome of the carelessness or misfortune of the employer, or of the employee, or of the state; and certification does not always depend upon the direct relation of employer and employee, and thus may be subject to many subversive influences.

The unemployment question, likewise, requires the establishment of a more satisfactory philosophy than the mere statement that maintenance must be provided when work cannot be secured or offered; and, as in sickness insurance, it is frequently impossible to determine where the responsibility for unemployment ultimately rests.

### Unemployment Insurance Problems

When we thus come to a close study of unemployment insurance we are, in present circumstances, on very thorny ground; yet it is believed, apparently, by many sections of the public, that unemployment insurance can be made almost a panacea in this depression. It can, of course, be no such thing.

In the first place, it cannot remove the causes of unemployment. Those causes are well recognized today to be world-wide and essentially international in character. An almost general breakdown in the normally smooth workings of international finance and trade has been aggravated in many cases by undue trade restrictions and artificial monetary policies. Those factors have been far more responsible for the existing unemployment than have the so-called technological changes in methods of production, which so often are almost wholly blamed, although the figures show that technological advancement in industry has resulted much more in a redistribution of workers than in their actual replacement.

Secondly, in any plan of insurance, it must be possible to relate the benefits definitely to the contributions—not individually, as in a savings plan, but on the average; yet the unemployment rate depends so largely upon the human will and is subject to such violent fluctuations, while the definition of compensatable unemployment is so difficult, that actuarial prediction of the rates of claim often cannot be made within the reasonable limits of safety indicated by the laws of probability. The consequent difficulty of keeping any scheme on a real insurance basis has led to the introduction into existing plans of many reservations and conditions which frequently mean, in reality, the almost complete abandonment of the insurance principle.

Thirdly, it is not always recognized sufficiently that in the schemes of unemployment insurance which exist abroad it has been possible to include on an insurance basis only certain types of workers in comparatively stable occupations, and that great difficulties have been encountered in attempting to apply the plans to agriculturists, seasonal workers of all kinds, and intermittent, casual, and short-time workers, in respect of whom the difficulties here in Canada certainly would be no smaller.

Fourthly, although plans of real insurance against unemployment might alleviate some types of unemployment for short periods, they could never deal even with those types throughout a long depression; and it is of course impossible to use the method of insurance for immediate payments to those who are at present unemployed.

### British Royal Commission Report

Those are the main difficulties. Abundant evidence of their importance is to be found in the final report of the Royal Commission on Unemployment Insurance in Great Britain, which was issued only two months ago, and is thus completely up to date. Entirely judicial in tone, full of the most carefully assembled facts, and based on the examination of numerous expert witnesses over a period of nearly two years, it presents a survey of quite exceptional importance, and embodies recommendations of propound significance.

Yet it must be studied always with an understanding of the fact that the British plan of 1911 was wholly experimental. It was the very first national scheme to be adopted. It was started upon as sound a basis as was then thought possible in dealing with a contingency such as unemployment, and it was carefully restricted to certain selected trades for which reliable trade union statistics of unemployment were available.

It contained, however, at least two features which were quite foreign to any plan of real insurance, namely, the fixed ratio between the number of contributions paid and the number of weeks' benefit which could be drawn, and the provision that on attainment of age 60 the total contributions less benefits should be returned with compound interest. These provisions are features rather of a "savings" plan; and accordingly it is quite debatable whether the scheme, even in its earliest stages, ever satisfied the fundamental requirements of a true insurance plan. Throughout its many years of stormy history, moreover, it has been subjected to such pressure from outside that it has been made, in the words of the Royal Commission, "to carry a load which it was not designed to bear," and has thus ceased in large measure to be insurance at all.

Even Sir William Beveridge—one of the two prominent economists mainly responsible for the original plan — found it necessary to remark, in his evidence before the Royal Commission: "In the past I . . . . have often had occasion to speak of 'insurance popularly miscalled the dole.' Today, I am afraid that it might be truer to speak of 'the dole officially miscalled insurance.'" Nevertheless, retreat was found impossible once the plan was started; and for many years every suggestion for its modification has been tempered by a realization of that fact.

### No Answer For Agriculturist

Not all of the proposals of the Royal Commission, therefore, are necessarily applicable to Canada, or to any other country except Britain. But where the commission's views are unhampered by the existing plan, its opinions are of great importance.

Such an instance is their conclusion with regard to agriculturists, who have never been included in the scheme, largely because no statistics of their unemployment experience are available, because unemployment in agriculture is hard to define and difficult to certify, and because the low average level of wages in that occupation renders it impossible to include them in a general plan with other industrial workers. The commission therefore did not recommend the inclusion of agriculture in the state insurance plan. The most they could suggest was that a statutory commission should "explore the possibility of devising a special scheme for agriculture;" and in their discussion of the question they pointed out that the "basis for the finances of a scheme would be purely conjectural," while also they observed that the difficulties are formidable and that they had not been able to satisfy themselves that any scheme yet proposed contains any method by which they could be surmounted.

### The German Plan

Another very important illustration of the difficulties of administering successfully an unemployment insurance plan of national scope is afforded by the experience of Germany. The German scheme was launched in 1927, after a group of experts had studied the British plan with characteristic German thoroughness. This study led the Germans from the outset to attempt a clear distinction between, first, the limited standard benefits of an insurance scheme proper; second, "crisis benefits" for those who have run beyond the standard benefits; and third, "welfare support," which is payable after a worker has exhausted his claims to standard and crisis benefits, and is subject to very strict tests of "means" and "need."

Notwithstanding this intelligent attempt to recognize the severe limitations of a national insurance plan, however, the contributions of workers and employers had to be raised from 3 per cent to 6½ per cent of wages, the finances of the fund became heavily involved by large loans from the government, which have never been repaid, and it was found necessary to appoint a commission to re-examine the practicability of the entire plan only four years after it was started.

### Finances of British Scheme

In view of these facts, some figures of the British scheme may be of interest. The original plan was founded on the assumption that an average rate of unemployment of 8.6 per cent might be anticipated over a cycle of years; and until the end of the war—during which, of course, unemployment was negligible—a balance of nearly £19,000,000 was accumulated. The economic upheaval following the Armistice, however, and the extension of the scheme in 1920 to the great majority of industrial workers, caused the rate of unemployment to rise to an average over ten years of 12.2 per cent, with a rate of over 20 per cent, reaching as high as 26.5 per cent, being shown since 1930. In consequence, the fund ran rapidly and deeply into debt.

Notwithstanding increases in the normal contributions in respect of men from 6 2/3 d. altogether in the original act to 30 d. at present—which is four and one-half times the original figure—the favorable balance of £19,000,000 became transformed into a debt to the National Exchequer of no less than £115,000,000, in addition to which the Exchequer has been called upon to make a further "deficiency grant." Such borrowings were very properly characterized by the Royal Commission as "a dangerous fiction," and "unsound." It must also be remembered that, in addition to these borrowings, the transitional payments outside the insurance scheme proper are costing the taxpayers a further sum of over £50,000,000 a year. The total burden on the National Exchequer has been at the rate of about £100,000,000 a year, which the commission hopes to reduce by its proposals to about £80,000,000 per annum.

The task of attempting to bring such a scheme back to something more nearly in the nature of a self-supporting insurance plan engaged the most earnest attention of the commission, and a great variety of recommendations have been made with this objective. In addition to such a reconstructed insurance plan, however, they recommend the reorganization of the arrangements outside insurance for those who have exhausted their claims to benefits; and among the most significant of their conclusions in this field is their decision that in any relief plan based, as they consider it must be, on tests of "means" or "need," the central authority should be charged only with the promulgation of general rules, and that "the discretion inherent in such a system can be successfully exercised only by a responsible local authority."

### Danish, Belgian and Swiss Plans

These British and German systems, however, are of course not the only plans which have been tried in Europe. It is important to remember that the Danish, Belgian, and Swiss methods have all been founded on a different principle, and all possess, though in varying degrees, one great advantage—they are based on the much sounder philosophy of encouraging each individual first of all to make his own systematic provision for himself, with the municipalities and the governments assisting by subsidies the voluntary funds so raised. A healthier outlook is created by such method. In particular, the government's function is not assumed at the very outset to lie in the unlimited support of plans to which the individual contributes almost as an afterthought; and the dangers of the scheme being exploited are very much reduced.

It is a well-known principle of sound insurance administration that unjustifiable claims can be controlled effectively only when the contributors and beneficiaries are subject to close mutual supervision and are inspired by a real community of interest, just as it is a well-known characteristic of human nature that any plan will be abused when the responsibility for its success does not rest squarely on the shoulders of those who are to benefit from its provisions. These fundamental principles are much more largely satisfied by the Danish, Belgian, and Swiss plans than by those of Germany and Britain.

### Raps Wisconsin Plan

In this rapid survey mention should perhaps also be made of the Wisconsin plan of so-called unemployment compensation, since it is being advertised so widely as offering a method which avoids the dangers of the European systems. The underlying motive of the scheme, however, is immediately apparent. It is founded on the proposition that unemployment must be paid for by industry alone, on the theory that the unemployment risk and that of workmen's compensation are analogous.

This proposition is clearly defensible only in so far as unemployment is caused by certain types of technological displacement of man by machines; it is not even defensible in all types of technological displacement; it certainly is not defensible in respect of unemployment arising from the many international causes which have contributed so largely to the existing depression. The whole theory of the scheme is that "compensation" must be paid by the employer only, notwithstanding the impossibility in many cases of establishing any such clear relation between cause and effect as well justify exactions of that character.

The principles of "insurance" or "saving" not only are entirely absent; they are deliberately excluded; and even the indirect assistance of insurance is prohibited—for there is a most remarkable provision that "no employer shall be permitted to insure his liability to pay benefits in any insurance company," and, further, that if an employer voluntarily establishes his own benefit plan, he may not "enter into any agreement for any form of insurance coverage." Without discussing its subsidiary details at this time, it may be suggested that legislation of that type is neither fair nor sound.

In contrast with this Wisconsin plan, however, it is important to remember that in the United States Senate a committee on unemployment insurance has recently conducted a very wide investigation, calling many important witnesses before it, and last year issued a long and valuable report. Its opinion is that federal unemployment insurance is "impractical if not undesirable," but that "some form of reserves . . . . should be provided by individual employers, with the possible co-operation of employees, and not by the Federal Government or by the state."

### Opportunity For Canada

It seems to me that from a study of these various proposals and discussions we in Canada have an unusual opportunity to reach a solution which will avoid many of the proved defects of the plans of other countries. In so far as unemployment insurance is concerned there is no need for undue and ill-considered haste—for no such plan can possibly help the present situation. If a scheme is once adopted, it will undergo modification—undoubtedly—from year to year; but it will be found impossible to discard it if it does not succeed. I want to suggest very seriously, once more, that the British plan, with its contributions from employers, employees, and the state, and the division of responsibility which such triple contributions inevitably create, is not the last word; nor is the German plan, even though it does attempt to keep the state out of the insurance scheme proper, and even though it has attempted from the start to separate "insurance" and "relief;" nor are the Danish, Belgian, and Swiss systems, even with their philosophy of self-help and self-reliance; nor are the proposals in the United States.

How far can unemployment be dealt with by insurance? That question has never yet been clearly answered, either in theory or in practice. If on mature consideration it is concluded that so-called "insurance" will not provide the best solution, it is conceivable that an alternative might be found in some form of "saving" plan. At least that principle could avoid the constant shifting of personal and financial responsibilities to the shoulders of other persons or the state; it would encourage thrift, and self-reliance, and initiative; the direct and undisguised relation between the contributions and the benefits would avoid all the popular misconceptions of the term "insurance" which have so largely undermined the state insurance plans abroad; and, comparatively speaking, it would be easy to administer. Moreover, nothing would prevent the state, under such a plan, from offering tangible support to those who in the first place have the good faith to try to help themselves.

However, I do not wish to put forward that idea in any sense as a considered opinion that it would prove to be the best solution. All I want to suggest is that "insurance," so-called, is not necessarily that best solution, and that a "savings" system is worth consideration as an alternative, or as a supplement.

Much clear thinking, and close study, are required. The mere imitation of legislation elsewhere will not provide the answer.

# Mining Stock Quotations

Week Ending January 9.

| Par Val. | Range 1932-33 High | Low | Company | Sales | Close Jan. 2 (or last) | High for week | Low for week | Close Jan. 9 |
|---|---|---|---|---|---|---|---|---|
| 1 | .06 | .02¼ | Abana | 1,500 | .02¼ | .02 | .02 | .02 |
| 1 | .03 | .00¾ | Aconda | ..... | .01 | ..... | ..... | ..... |
| No | .15 | .15 | Aldermac | ..... | .15 | ..... | ..... | ..... |
| 1 | .09 | .00¾ | Alexandria | 10,500 | .01¼ | .02¼ | .01½ | .02¼ |
| No | .20 | .03 | Algoma | 29,000 | .03 | .03¼ | .03 | .03¼ |
| 1 | .01¼ | .00¼ | Algonquin | 1,000 | .00¼ | .00¼ | .00¼ | .00¼ |
| 1 | .01¼ | .00¼ | Amity C. | ..... | .00¼ | ..... | ..... | ..... |
| No | .36 | .06 | Amulet | 18,591 | .11 | .15 | .10 | .13 |
| 1 | .00½ | .00¼ | Apex | 1,000 | .00¼ | .00¼ | .00¼ | .00¼ |
| 1 | .04 | .01 | Area | 3,000 | .01 | .02 | .02 | .02 |
| No | .03½ | .00¼ | Arno | 57,600 | .02 | .02 | .01½ | .02 |
| 1 | .93 | .65 | Ashley Gold | 20,160 | .70 | .93 | .74 | .91 |
| 1 | .07 | .01 | Bagamac | ..... | .01¼ | ..... | ..... | ..... |
| 1 | .01¼ | .00½ | Baldwin | 11,000 | .00¾ | .01¼ | .01 | .01¼ |
| 1 | .19¼ | .03 | Barry Hollinger | 248,725 | .10¼ | .19¼ | .10¼ | .19¼ |
| No | 1.45 | .30 | Base Metals | ..... | .70 | ..... | ..... | ..... |
| 1 | .21 | .04 | Big Missouri | 18,000 | .09¼ | .13 | .08 | .12 |
| 1 | .11¼ | .02 | Bobjo | 173,200 | .08¼ | .11¼ | .08¼ | .11¼ |
| 1 | .23 | .02¼ | Brett Trethewey | 15,000 | .16 | .20 | .15 | .18 |
| 1 | .03 | .00¼ | Brownlee | 3,100 | .01¼ | .01¼ | .01½ | .01¼ |
| 1 | .01 | .00¼ | Buckingham | ..... | .00¼ | ..... | ..... | ..... |
| No | .36 | .02 | Buffalo Can. | 4,000 | .02¼ | .03 | .02¼ | .02¼ |
| No | .04 | .01 | Bunker Hill | 1,000 | .01¼ | .01¼ | .01¼ | .01¼ |
| 5s | 1.03 | .10 | B'Wana McKubwa | ..... | .80 | ..... | ..... | ..... |
| No | .04 | .02 | Canam Metals | ..... | .02¼ | ..... | ..... | ..... |
| 1 | .04¼ | .01¼ | Can. Kirkland | 5,400 | .03¼ | .03¼ | .03 | .03 |
| 1 | .02¼ | .00¾ | Capital Rouyn | ..... | .00¾ | ..... | ..... | ..... |
| 1 | .07 | .01¼ | Cartier Malartic | 19,700 | .02¼ | .03¼ | .02¼ | .03 |
| 1 | .21¼ | .09 | Castle Trethewey | 6,400 | .16 | .18 | .16 | .17¼ |
| 1 | .09¼ | .04 | Cen. Manitoba | 24,550 | .06 | .09¼ | .06 | .08 |
| 1 | .21 | .02 | Cen. Patricia | 14,150 | .20 | .20 | .17 | .18 |
| No | .07½ | .01 | Chibougamau Pros. | 500 | .04 | .04 | .04 | .04 |
| No | .02 | .00¼ | Clericy | 1,500 | .01 | .01 | .00¾ | .00¾ |
| 5 | 5.00 | .45 | Coast Copper | 400 | 1.65 | 1.85 | 1.76 | 1.85 |
| 1 | .02¼ | .00¼ | Cobalt Contact | 4,500 | .00¼ | .01¼ | .00¼ | .01¼ |
| No | .16 | .15 | Cobuc | ..... | .15 | ..... | ..... | ..... |
| 1 | .14 | .03 | Columario | 16,000 | .09¼ | .10 | .07 | .07¼ |
| 5 | 1.10 | .69 | Coniagas | 230 | .90 | 1.05 | 1.00 | 1.05 |
| No | .50 | .23 | Coniaurum | 12,148 | .30 | .36 | .25 | .35 |
| 25 | 102.00 | 25.00 | Cons. Smelters | 2,228 | 63.50 | 66.00 | 60.50 | 65.50 |
| No | 14.50 | 9.00 | Dome Mines | 5,695 | 14.15 | 14.50 | 14.00 | 14.00 |
| No | .10 | .02 | Dom. Explorers | 189,700 | .05 | .05 | .04¼ | .04¼ |
| 1 | .00¾ | .00¼ | Dominion Kirk. | ..... | .00¼ | ..... | ..... | ..... |
| 1 | .04 | .00¾ | Don Rouyn | 21,500 | .02 | .03 | .02¼ | .03 |
| 1 | .04 | .02¼ | Duparquet | ..... | .02¼ | ..... | ..... | ..... |
| 1 | 1.60 | .76 | Eldorado | 35,525 | 1.37 | 1.54 | 1.34 | 1.50 |
| No | 2.40 | .47 | Falconbridge | 16,410 | 2.00 | 2.25 | 1.95 | 2.10 |
| 1 | .04 | .00¼ | Federal | 4,000 | .01 | .01¼ | .01 | .01¼ |
| 1 | .06¼ | .00¼ | Goldale | 21,000 | .03 | .06¼ | .04 | .05 |
| 10 | .24 | .05¼ | Goldfield | ..... | .10 | ..... | ..... | ..... |
| 1 | .00¼ | .00¼ | Gold Hill | ..... | .00¼ | ..... | ..... | ..... |
| 1 | .04 | .02 | Goodfish | 500 | .02 | .02 | .02 | .02 |
| 1 | .03¼ | .00¼ | Graham | ..... | .00¼ | ..... | ..... | ..... |
| 1 | 1.43 | .50 | Granada | 81,820 | 1.18 | 1.43 | 1.19 | 1.43 |
| 1 | .22 | .05 | Groselle | ..... | .07 | ..... | ..... | ..... |
| 1 | .03¼ | .01 | Harker | 8,000 | .02 | .02¼ | .02 | .02 |
| 1 | .01¼ | .00¼ | Hilltop | 5,000 | .00¼ | .00¾ | .00¼ | .00¾ |
| 5 | 6.35 | 4.25 | Hollinger | 15,979 | 6.25 | 6.35 | 6.00 | 6.15 |
| 1 | .78 | .26 | Howey Gold | 86,750 | .70 | .78 | .69½ | .70¼ |
| No | 5.30 | .92 | Hudson Bay | 2,520 | 3.20 | 3.50 | 3.10 | 3.50 |
| No | .36 | .18 | Huronian | ..... | .30 | ..... | ..... | ..... |
| No | 13.50 | 4.00 | Int. Nickel | 20,759 | 9.25 | 9.50 | 9.00 | 9.25 |
| 1 | .01¼ | .00¼ | Jackson Manion | 5,500 | .00¼ | .00¼ | .00¼ | .00¼ |
| 1 | .25 | .19 | Keeley | ..... | .20 | ..... | ..... | ..... |
| 1 | .02¼ | .00¼ | Keora Mines | 7,000 | .02 | .02 | .01 | .02 |
| 1 | .70 | .40 | Kirk. Hud. Bay | 1,500 | .60 | .62 | .60 | .60 |
| 1 | .02¼ | .00¼ | Kirk. Hunton | 2,000 | .01 | .01 | .00¼ | .00¼ |
| 1 | .55 | .19 | Kirkland Lake | 56,400 | .31¼ | .37¼ | .32 | .32 |
| 1 | .03¼ | .00¼ | Kirkland Premier | 2,000 | .01 | .01¼ | .01¼ | .01¼ |
| 1 | .16 | .05 | Kirk. Townsite | 50,000 | .13¼ | .16 | .13¼ | .15 |
| 20c | .01¼ | .00¼ | Koot. Florence | 8,000 | .00¼ | .00¼ | .00¼ | .00¼ |
| 1 | .01¼ | .01¼ | La Rose | ..... | .01¼ | ..... | ..... | ..... |
| 1 | .41 | .10 | Lakeland | 8,000 | .16 | .20 | .20 | .20 |
| 1 | .29 | .05 | Lake Maron | 47,300 | .06¼ | .12 | .08 | .12 |
| 1 | 35.10 | 24.90 | Lake Shore | 4,745 | 33.75 | 33.90 | 33.25 | 33.65 |
| 1 | .07 | .01¼ | Lebel Oro | 3,000 | .03 | .02¼ | .02¼ | .02¼ |
| 1 | .41 | .13 | Macassa | 138,466 | .21 | .27¼ | .21 | .23 |
| 1 | .08 | .02¼ | Malartic | 44,700 | .06¼ | .08 | .05 | .05 |
| 1 | .04 | .00¼ | Malrobic | 39,500 | .01¼ | .02 | .01¼ | .01¼ |
| No | .08 | .02 | Mandy | 500 | .03 | .04¼ | .04¼ | .04¼ |
| No | .02 | .00¼ | Manitoba Basin | 130,600 | .01¼ | .01¼ | .01¼ | .01¼ |
| 5 | 25.00 | 14.70 | McIntyre | 5,655 | 23.25 | 24.25 | 23.25 | 23.25 |
| 1 | .38 | .25 | McKinley | 39 | .37 | .38 | .30 | .30 |
| No | .09¼ | .01¼ | McLeod River | 11,400 | .02 | .04¼ | .02¼ | .03 |
| 1 | 1.20 | .16½ | McVittie | 17,800 | .16½ | .20 | .15 | .20 |
| No | .53 | .40 | McWatters | 24,250 | .45 | .53 | .46 | .49 |
| No | 1.85 | .58 | Mining Corp. | 13,650 | 1.40 | 1.47 | 1.28 | 1.45 |
| 1 | .08¼ | .01¼ | Moffatt Hall | 41,500 | .01¼ | .03 | .01¼ | .03 |
| 1 | .02¼ | .02 | Moneta | ..... | .02 | ..... | ..... | ..... |
| 1 | .45 | .19¼ | Moss | 126,350 | .34¼ | .39 | .34 | .36 |
| 1 | .02¼ | .00¼ | Murphy | 17,000 | .00¼ | .01 | .00¼ | .01 |
| No | .06¼ | .01 | Newbec | 9,000 | .03¼ | .04¼ | .03¼ | .04 |
| 1 | .02 | .01¼ | Night Hawk Penn | 5,000 | ..... | .02 | .01¼ | .02 |
| 5 | 1.48 | .50 | Nipissing | 4,968 | 1.30 | 1.40 | 1.20 | 1.40 |
| No | 23.25 | 12.50 | Noranda | 8,570 | 20.40 | 20.85 | 20.00 | 20.40 |
| No | .39 | .10 | Nor. Canada | 16,900 | .35 | .39 | .32 | .35 |
| 1 | .76 | .65 | Northern Metals | ..... | .76 | ..... | ..... | ..... |
| No | .01¼ | .00¼ | Old Colony | 88,500 | .01¼ | .01¼ | .01¼ | .01¼ |
| 1 | .09 | .05 | Osisko | 2,500 | .05 | .05 | .05 | .05 |
| 1 | .17 | .07 | Parkhill | 7,000 | .10 | .12 | .11 | .11 |
| 1 | .13¼ | .11 | Patricia Dent | ..... | .13 | ..... | ..... | ..... |
| 1 | .02 | .01 | Pawnee Kirk. | ..... | .01¼ | ..... | ..... | ..... |
| 1 | 1.25 | .35 | Pend Oreille | 600 | .50 | .60 | .54 | .60 |
| 1 | .01¼ | .00¼ | Peterson Cobalt | 1,500 | .00¼ | .00¼ | .00¼ | .00¼ |
| 1 | 4.94 | 3.00 | Pioneer Gold B. C. | 11,475 | 4.40 | 4.70 | 4.30 | 4.60 |
| 1 | .00¼ | .00¼ | Porcupine Crown | ..... | .00¼ | ..... | ..... | ..... |
| 1 | .04 | .00¼ | Potter Doal | ..... | .00¼ | ..... | ..... | ..... |
| 1 | .12 | .12 | Powell Rouyn | ..... | .12 | ..... | ..... | ..... |
| 1 | .75 | .32 | Premier Gold | 3,600 | .62 | .65 | .60 | .60 |
| 1 | .01¼ | .00¼ | Preston E. Dome | 5,000 | .01¼ | .01¼ | .01 | .01 |
| 1 | 1.31 | .15 | Prospectors Air's. | 700 | .70 | .85 | .80 | .85 |
| No | 1.00 | 1.00 | Quebec Pros. | ..... | 1.00 | ..... | ..... | ..... |
| No | .10 | .03 | Quemont | 3,020 | .03¼ | .08 | .03 | .08 |
| 1 | .02¼ | .00¼ | Ribago | 15,000 | .00¼ | .01 | .00¼ | .01 |
| 1 | .02¼ | .01 | Ritchie | 26,500 | .01¼ | .01¼ | .01¼ | .01¼ |
| 1 | .98 | .25 | Robb Montbray | 47,482 | .92 | .98 | .82 | .93 |
| 1 | .09 | .05 | San Antonio | ..... | .07¼ | ..... | ..... | ..... |
| 1 | .09 | .07¼ | Seven Troughs | ..... | ..... | ..... | ..... | ..... |
| 1 | .77 | .18 | Sherritt Gordon | 10,845 | .40 | ..... | ..... | .40 |
| 1 | 1.47 | .50 | Siscoe | 382,760 | 1.31 | 1.47 | 1.25 | 1.46 |
| 1 | .10¼ | .05 | South Keora | 18,100 | .08¼ | .09 | .07 | .07¼ |
| 1 | .08¼ | .03 | Stadacona | 322,100 | .01¼ | .03¼ | .01½ | .03¼ |
| No | .17 | .05 | St. Anthony | 4,500 | .03 | ..... | ..... | .08¼ |
| 1 | .90 | .16 | Sudbury Basin | 8,350 | .68 | .80 | .60 | .74 |
| No | .02¼ | .00¼ | Sudbury Contact | ..... | .02¼ | ..... | ..... | ..... |
| 1 | .01 | .00¼ | Sudbury Mines | ..... | .00¼ | ..... | ..... | ..... |
| 1 | .25 | .07 | Sullivan | 69,650 | .20 | .25 | .20 | .24¼ |
| 1 | .87 | .39 | Sylvanite | 60,125 | .79 | .85 | .77 | .79 |
| 1 | .07 | .01 | Tashota | 36,500 | .01¼ | .02¼ | .01½ | .02¼ |
| 1 | .16 | .12 | Tashota Goldfield | 4,000 | .15¼ | .16 | .15 | .16 |
| 1 | 5.25 | 3.05 | Teck Hughes | 47,965 | 4.05 | 4.35 | 4.03 | 4.21 |
| 1 | .07½ | .02 | Thom. Cadillac | 1,000 | .04¼ | .04¼ | .04¼ | .04¼ |
| 1 | .40 | .10 | Towagmac | 2,733 | .10 | .12 | .10 | .10 |
| 1 | 3.00 | 1.00 | Treadwell | 500 | 1.10 | 1.25 | 1.10 | 1.20 |
| 1 | .09¼ | .02 | United Kirkland | 2,500 | .05 | .06 | .05 | .05 |

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# Canadian Mining News

## CON. SMELTERS STOCK DIVIDEND STIRS COMMENT

### Question of Disbursing Stock When Earnings Nil Discussed

### DILUTES EQUITY

### Low Capital Structure Favors Greater Capitalization of Betterments

Subsequent to the announcement of directors of the Consolidated Mining and Smelting Co. of Canada on Januray 5, 1933, that a 10 per cent stock dividend would be paid to shareholders of record December 31, 1932, comes the announcement of J. J. Warren, president of the company, stating that the date from which shares will rank for stock dividend payment has been changed to January 12, 1933. At the time of the initial announcement the following statement was issued for the benefit of the shareholders.

"A preliminary estimate indicates that after making inventory adjustments and charging development and exploration expenditures, but before depreciation and depletion, operating revenues, including income from investments, may be slightly below operating expenses.

"The plants have been well maintained from operating revenue and are in excellent condition.

"The producing mines continue to develop satisfactorily.

The declaration of the stock dividend at a time of curtailed income and when a loss has been incurred, has provoked widespread comment.

**Unsold Stocks Lower**

"Unsold lead and zinc stocks are less than at the end of 1931.

"As there are adequate reserves to take care of depreciation, depletion and the proposed increase in the capital, the directors have decided to authorize the distribution of a stock dividend to shareholders of record December 31, 1932, at the rate of one fully paid share for every ten fully paid shares outstanding, following the issue of supplementary letters patent increasing the capital stock of the company.

"A special meeting of the shareholders is being called for February 1, 1933, to approve the directors' by-law to increase the capital stock of the company."

**Dividend Acceptable**

Shareholders as a whole are not indifferent to any form of dividend that can be converted into cash during a period when most individuals are suffering reduced income from their investments.

In the absence of a financial statement covering operations in 1932 the foregoing official statement as to earnings evidences that a loss was incurred from the 1932 operations; whether or not it would be equivalent to the $800,031 incurred in 1931, is a conjecture. Having regard for further declines in metal prices and curtailed output it seems inevitable that if the same liberal policy regarding depreciation prevails that the loss in 1932 will exceed the 1931 figure.

Quite obviously then, the object of the recent stock dividend announcement was not prompted by the motive of sharing prosperity with investors since there has been no recent prosperity to share.

**Stock Dividends Taxable**

Having regard for the fact that stock dividends have been ruled by Ottawa as being assessable for income, the same as cash dividends, the shareholder is confronted with a perplexing problem as to how he has profited. It is possible for him to liquidate his stock dividend and secure cash but the stock dividend tends to dilute the per share value of the stock. Generally speaking, this dilution is immediately reflected by a lower stock market valuation of the shares. In the case of Smelters the effect was a couple of points advance in the shares.

The capital structure of Consolidated Smelters is simplicity itself, having regard for the magnitude of its operations. It has an authorized capitalization of $15,000,000 in common shares of $25 par value, of which 563,480 shares are outstanding. There have been no violent changes in the capital structure, other than changing the par value from $100 to the present $25 in 1916. During the heydey of market activity in 1928 and 1929, despite the influences brought to bear to split the shares, this was not done and credit is now regarded as due the directors for not hearkening to this plea, although these $25 par value shares sold up to $575 per share in 1929. They touched a low of $25 per share in June last.

**Capitalizing Expenditures**

All who have witnessed Smelters heavy capital expenditures in recent years, increasing the value of its plant and equipment from $12,586,504 in 1928 to $21,318,148 at the end of 1931, are conscious of the pouring back of the company's earned surplus that the foundation might be laid for greater earnings. It would not be unusual to capitalize and reflect this expenditure in the capital set-up. It may be that the stock dividend is a belated recognition of the large boom time surpluses and is in no way related to recent earnings.

The fact that the Canadian Pacific Railway owns over 50 per cent of the Smelters outstanding capital stock gives added interest to the situation. This company in the past steadily increased its holdings in Smelters, and has not seen fit in the past to convert stock dividends paid into cash, at a time when they could obviously be used to advantage to swell C. P. R.'s declining income. What the future policy of Canadian Pacific Railway will be with respect to the conversion of these stock dividends, is a matter for conjecture, but at least precedent suggests that the motive behind the most recent dividend action so far as the Canadian Pacific Railway is concerned is not to put cash in the C. P. R. treasury.

## Social Legislation Threatening Mining

### *Prospecting and Small Mining Operations in Unorganized Ontario Areas Subject to Sweeping Scope of Health Acts*

Ontario prospectors and mining men are discussing their new responsibilities under recent provincial legislation, the Provincial Public Health and Hospitals Act.

Back in 1921 an order-in-council known as the Public Health Act was passed, embodying regulations covering the sanitary control of mining camps in unorganized territory. The medical profession were active in securing the passage of this legislation which obligates every employer of labor in unorganized territories to contract with a legally qualified physician for the sanitary supervision and inspection of all mining camps under the employer's control. Every employer must also provide for two hospitals, one an isolation and the other a general hospital for sick or injured employees.

**Hits Prospectors**

Literally interpreted the act provides that if a merchant grub-stakes or hires a prospector to go into the bush he must not only arrange for a legally qualified physician for the sanitary supervision of this prospector's camp but also provide two hospitals. The absurdity of such legislation is quite apparent, but nevertheless it exists and the employer faces a penalty under the act on summary conviction, if he violates it. While it is true that there has been no test case for the violation of the act by prospectors a recent judgment given by Justice Masten in the case of the Toronto General Hospital for Consumptives vs. the Keeley Silver Mines shows that doctors and hospitals are conscious of the sweeping powers of the act, and given due cause will not hesitate to see that it is administered.

**Unlimited Responsibility**

If an employee became ill, regardless of the class or nature of the ailment, the employer is liable. There is no distinction between those sick and able to pay their own way, and the indigent. Neither is there any distinction between sicknesses arising on the employer's work and sickness arising from causes or conditions relating to previous employment. In the case of a syndicate financing the prospectors at work in the bush it is quite conceivable that one member of the syndicate financially able might have to share the entire responsibility of looking after protracted cases of illness in the event of the other syndicate members lacking financial standing.

It would appear that the majority of employers of mining labor were not conversant with the act and have not been complying with it, but their position is so evidently vulnerable that already prominent mining men are hesitant about entering upon this year's prospecting and developing programmes until their position has been made more clear. No one cares personally to assume the risks involved, and if the act is enforced it will have the inevitable result of killing all small mining operations.

It is assumed by mining men that those who are responsible for the drafting of the Act did not realize the position, the number or the importance of the small mines, prospectors and operators who employ labor in unorganized districts.

## GRATON'S REPORT ON HOLLINGER ORE VERY TECHNICAL

### Abridged Report Leaves Shareholders Groping For Real Facts

### WAS GREAT MINE

### Solace Found in Past Record But Technical Cloud Veils Real Meat For Shareholder

The long-awaited report on the ore potentialities of Hollinger mine by Dr. L. C. Graton, of Harvard University, has now been placed before the directors of that company and in a highly abridged summary, appearing in the January issue of "The Bulletin," official publication of the Canadian Institute of Mining & Metallurgy, Dr. Graton proceeds to give the salient points brought out by the three and a half years geological study made by his staff.

To the shareholders of Hollinger the opening paragraph of this paper, which is quoted verbatim, will be found of interest.

"The Porcupine district of Northern Ontario has yielded $300,000,000 in gold during its 23 years of mining operations. It thus ranks among the foremost gold producing areas of the world. Of this $300,000,000 already produced from the district, the Hollinger mine has furnished over 60 per cent and stands as one of the greatest gold mines of all time."

The balance of the paper to the layman is too technical to be comprehensive. Dr. Graton's method of dealing with the general geology as well as the structural geology does not introduce anything new, particularly to those familiar with the camp.

Issue has already been taken by many prominent geologists to Dr. Graton's age classification of the quartz porphyry intrusives as well as his classification of A. R. Whitman's "l'etole" injection, as a fragmental rock strongly suggestive of conglomerate. These are academic points which will undoubtedly be thrashed out upon the presentation of this paper at the forthcoming annual convention of the Canadian Institute of Mining & Metallurgy in Toronto next April.

Dr. Graton also deals at some length with the source of the gold-bearing solution, but in this also there is nothing new. Other geologists working in the district have long conceded that the relationship between the porphyry was merely that they had both emanated from the same parent magma, the porphyry being merely the "John the Baptist" for the ore in preparing the way so that the gold-bearing solutions might enter into the channels made by it.

In order that the rank and file of shareholders of Hollinger might glean anything from Dr. Graton's work, mining men believe that Hollinger directors might well issue to them those conclusions having direct bearing on operating and exploratory policies, which are not dealt with in the abridged report herein referred to. In the meanwhile they can find solace in Dr. Graton's historical observation that the Hollinger mine stands as one of the greatest gold mines of all time.

## Can. Western Natural Gas Will Redeem Debentures

Holders of the 5 per cent first mortgage debenture stock of Canadian Western Natural Gas, Light, Heat & Power Co. are notified that the company will redeem the entire amount of this issue outstanding at a premium of 5 per cent on June 15. At December 31, 1931, there was $731,465 of the debenture stock outstanding of an original issue of $4,500,000 sold in 1911 in London. No transfer will be registered after May 15.

The issue matures October 15, 1936, but is callable as an entire issue at 105 on six months notice which has now been given. Principal and interest is payable in London in Sterling and in Canada in dollars at the fixed rate of $4.86 to the £ Sterling. British Empire Trust Co. is the trustee for the issue and no transfer will be registered after May 15.

## TECK-HUGHES FORMS TWO SUBSIDIARIES

### Recently Acquired Properties in Quebec to Be Developed By Separate Companies

Officials of Teck-Hughes Gold Mines have announced the formation of two new companies to hold title to and develop its recently acquired interests in Quebec. The Vicour Gold Mines, Ltd., has been incorporated under a Dominion charter with a capitalization of 2,000,000 shares of no par value. Five hundred thousand of these shares will be issued to the Quebec Gold Belt Mines, recently incorporated to act as vendors of the property, which consists of 28 claims in Louvicourt township, known as the Hughes-Wettlaufer property. Ten thousand dollars has been paid by Teck-Hughes which has taken down 75,000 shares and will continue to take down shares as funds are made available for development purposes.

A second company, known as Lamaque Gold Mines, has been incorporated under a Dominion charter, with a capitalization of 3,000,000 shares of no par value, to acquire three groups of claims totalling some 2,300 acres in Bourlamaque township, Reid Authier Mine, one of the vendors, receiving 600,000 shares in the newly formed Lamaque Gold and the other vendor, Canadian Exploration Co., receiving 100,000 shares. The third group covers 25 claims under option, which protects the possible vein extension of the two main groups.

**Vendors Form Company**

Quebec Gold Belt Mines was recently incorporated under a Dominion charter, having a capitalization of 2,000,000 shares of no par value, to acquire the assets of Quebec Gold Belt Syndicate, owning the Hughes-Wettlaufer group of 28 claims in Louvicourt township and 33 claims in Bourlamaque. The syndicate holders received 250 shares in the new company for each syndicate unit. This company has in its treasury the 500,000 shares of Vicour Gold Mines plus $10,000, which will enable it to undertake development of its Bourlamaque group of 33 claims.

## New Interest Evinced In Old Porcupine Claims

Keen interest is being evinced in the Whitney gold area lying east of the main Porcupine camp, and with the recent entry into the field of the Dome Mines, and the prosecution of an active drilling campaign on the South Keora property, developments of an important nature are promised for the near future.

On the South Keora property diamond drill results verging on the spectacular were obtained several years ago, drill intersections through overburden revealing the existence of a high grade vein lying along the contact of a quartz-porphyry dyke. These diamond drilling results are now being checked by further drilling, and upon the completion of the work the shaft will at once be de-watered and active development undertaken. Apart from the above structure, South Keora possesses another vein exposed on surface for a distance of around 900 feet. Surface samplings on this vein returned an average of $8.18 across eighteen feet, while two drill holes cut the vein at a depth of around 700 feet showing values of $5.95 and $6.25 over width of 9 and 16 feet respectively.

**New Values Low**

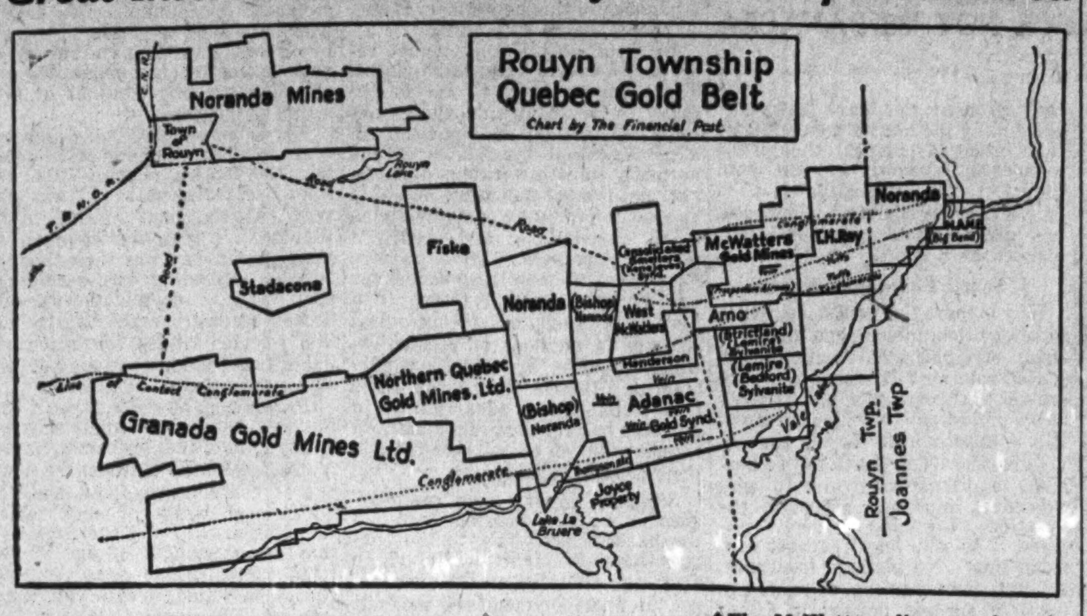
The first of the holes completed in the work now being undertaken cut a well mineralized vein having a width of ten feet, in this respect checking the previous reports, and while values were low, officials are confident that the outcome of the campaign will check the previous results. Jas. G. MacGregor, mining engineer and geologist of Toronto, is in charge of operations.

It has also been announced that Dome Mines has recently taken an option on the Hughes property, located a short distance south-west of Keora, and it is understood that an active development campaign is contemplated.

## Bloom Lake Mines Plan Diamond Drilling Soon

At a recent meeting of shareholders of Bloom Lake Consolidated Mines, decision was reached to start at once diamond drilling on the company's group of claims in Powell township, Matachewan area, Ontario. Officials claim that funds have been arranged that will permit of a definite diamond drilling programme being carried to conclusion at this property. Later it is planned to drill on the company's other two groups of claims in the Matachewan area, all of which have been patented.

## Great Interest Evinced in Rouyn Township Gold Area



The McWatters discovery has pioneered re-staking in Rouyn township, Quebec, by many responsible companies and extensive programmes are planned during the coming season.

## Rouyn Prospects Give Much Encouragement; Great Activity Seen

### Burst of Enthusiasm Follows McWatters Discovery

### MUCH RESTAKING

### Rush of Ten Years Ago Tied Up Claims While Meagre Work Failed Then to Disclose Importance

The value of prospecting in favorable geological areas near to transportation was never better evidenced than by recent developments in Rouyn Township, Que.

Fired by the spectacular McWatters find, lying a few miles northeast of the Granada Gold Mines and within six miles of the Noranda smelter, prospectors are now busy staking claims first filed on at the time of the rush into the Rouyn district nearly ten years ago. In seeking the reason for the delayed interest in this area one must take into consideration that in the early hey-day of staking, property was acquired by companies and syndicates purely for promotional purposes without any idea of conducting adequate exploration. The McWatters find, itself, was formerly held by a company which recently returned and staked adjacent claims attracted by the spectacular showings at the McWatters. That the area was situated in favorable geological structure has been known for several years. For two-and-a-half years the Granada Gold Mines has been producing from quartz veins found in this sedimentary belt that traverses Rouyn Township and has been traced for 80 miles farther east.

**McWatters Encourages**

At the McWatters Gold Mines, developments continue encouraging. Eight diamond drill holes have been put down primarily to test the structural conditions. Most recent results from drill holes Nos. A-6 and A-7 are regarded as encouraging by officials. In No. A-6 hole, east of the most easterly surface trenching and at a depth of 150 ft. vertically, 7 ft. of vein matter and 12 ft. of schist was encountered. One section, over a width of three-and-a-half ft. assayed $18.80 in gold, while another section of 1 ft. showed free gold. About 60 ft. east of A-6 drill hole, hole No. A-7 was put down cutting three vein structures, two showing free gold. In one section 10 ft. of sludge from one section assayed $6.80 in gold, a second 10 ft. section from 80 to 90 ft. depth, assayed $14.60, while a third 20 ft. section of sludge from a greater depth assayed $3.60. Complete assay values have not yet been made public. Two camp buildings have already been erected and development is being pressed.

The only other property on which diamond drilling has been conducted is held by the Adanac Syndicate where surface exploration has been under way for about a year-and-a-half. Four vein structures have been disclosed and work is progressing in an interesting manner.

**Noranda Options**

Noranda Mines is taking a keen interest in the area and have already optioned several groups of claims. Work is proceeding on their Bishop option.

At the West McWatters surface exploration is also under way.

Consolidated Mining & Smelting Co., which optioned the Kenejeves property, is understood to be making arrangements for an extensive surface exploration programme.

The Erie Canadian Mines, which is the exploration subsidiary of Sylvanite Gold Mines has optioned two groups of claims to the east of the Adanac Synd., and is understood to be making plans for immediately conducting surface exploration work.

One of the recent pioneers in the field is the Northern Quebec Gold Mines, holding some 340 acres immediately adjoining the Granada Gold Mines on the east. This company has been active in the field this past summer and over $20,000 has been spent on surface exploration. A camp has been built for 25 men and about 35 trenches put down over a length of 15 to 20 ft. Free gold has been found in several trenches. Five veins, varying in width from a few inches to several feet, have been exposed and two of them have been traced for approximately 700 ft. A small party is being maintained at the property and toward the end of this month it is planned to speed up work by doing deep trenching where the overburden is heavy while the frost is still in the ground. Diamond drill is to start next month and plans are already being considered for sinking a shaft.

**More Work Required**

Although it is only about three months since the McWatters find was made, no area in Northwestern Quebec has attracted the attention nor caused greater interest. While developments to date cannot be considered as confirming its mine-making possibilities they are very significant considering the proximity to the Granada Gold Mines, which has been pioneering the area and has been in production for the past two and a half years.

## Bathurst Mines Produces $7,500

Dr. F. P. Quinn, secretary-treasurer of Bathurst Mines, Ltd., advises The Financial Post that the recent production of $7,500 in gold from the company's property in the Woman Lake area, Patricia district, Ontario, was a clean-up from a small test mill started last October. T. W. Bathurst, president of the company, was at the property all last summer and is now reported to be on his way out.

The plant consists of a five-ton ball mill powered by a Diesel engine, and was flown into the Woman Lake area last fall by the Canadian Airways Ltd. Plans call for its operation throughout the winter.

## Foley Property Being Equipped For Production

Work has been resumed at the old Foley property, six miles south of Mine Centre in the Rainy River district of Ontario, to bring the property again into production late this month.

The Foley Syndicate has concluded an arrangement with the British Canadian Mines, owners of the property, whereby it will be brought into production on a royalty basis according to the profits accruing from operations. Immediate plans call for the installation of a 25-ton mill. Work toward dewatering the property has already started and although it is equipped with a 150-ton mill it is not planned to utilize this old equipment, but rather to put into service a small plant and step up operations as results dictate.

Prominence was given this old property late in the last century when a 20-ton mill was operated producing approximately $100,000 in gold. The British Canadian Mines, incorporated in 1922, has been active in trying to re-finance the company in order to bring it into production and in doing so it incurred a funded debt of some $203,100 which is in arrears as to interest. If present plans for operation work out officials see how the current liabilities can be discharged and the bond interest, now in default, paid.

## DOME MINES OUTPUT $4,027,846 IN 1932

### Exchange Compensation Makes 1932 One of Best in Its 22 Years

Normal value of gold production by Dome Mines for the three months ended December 31, 1931, amounted to $951,886, bringing the value of the production for 1932 up to $4,027,846 as compared with $3,486,506 in 1931.

Not only was this production about 15 per cent better than in 1931, but with the exchange compensation added 1932 ranks among the biggest years in Dome's 22 years' production history. Not since 1927 has Dome had a production over $4,000,000. Even in that year the recovery per ton was seven cents less than in 1932, indicating the grade is being maintained.

With exchange compensation averaging close to 12 per cent in 1932, the total value of Dome's production was close to $4,500,000.

The following tabulation gives production figures in the last quarter of 1932, as well as the total for the year:

| | 1932 4th quar. | 1932 Total |
|---|---|---|
| Tons milled | 135,318 | 534,818 |
| Recovery, $ | 951,886 | 4,027,846 |
| Rec. per ton, $ | 7.05 | 7.49 |
| Tons daily | 1,470 | 14.65 |

## Cons. Smelters Produces 126,619 Tons of Lead

Production figures by the Consolidated Mining & Smelting Co. for the last quarter reflect further curtailment in operations, bringing the total metal production well below that of 1931.

The following is a tabulation of the last quarter and the total for 1932.

| | 4th quar. 1932 | Total 1932 |
|---|---|---|
| Lead (tons) | 34,558 | 126,619 |
| Zinc (tons) | 15,657 | 65,284 |
| Copper (tons) | nil | 383 |
| Gold (oz.) | 8,905 | 33,346 |
| Silver (oz.) | 1,308,000 | 5,522,366 |

## SISCOE GOLD MINE HAS RECORD YEAR, GROSS $1,000,000

### New Work on 850-ft. Level Said to Be Most Encouraging

December was another good month for Siscoe Gold Mines with a production valued at $87,908 from 5,563 tons of ore treated, an average recovery of approximately $15.77 per ton from an average daily milling rate of 180 tons.

Production in 1932 was $1,006,707, as compared with $742,812 in 1931. This is exclusive of exchange compensation.

A recent statement by officials said that ore had been encountered on the 725-ft. level. This is the first of the three new levels included in the present development plan. Two intersections have been made, one of about five feet in width and of apparently average grade, and one farther to the north, which has already been drifted on for more than 50 feet. Officials believe that there is a possibility that these two intersections may be part of the same system. In the second intersection free gold has been visible in unusual amounts and the stoping width over the section is expected to be 12 feet with the grade well above mine average in value. An unofficial report says that spectacular ore has been encountered at this point, which has necessitated bagging under direct management supervision.

It is not possible to give the actual value owing to the erratic distribution of free gold.

**Ore on 850-ft. Level**

On the 850-ft. level the ore has just been encountered. Officials believe that work as a whole below the 600-ft. level can be counted on as showing very interesting results.

The following tabulation shows production by quarters for 1932:

| 1932 | Tons Milled | Rec. $ per ton | Recovery Value, $ |
|---|---|---|---|
| First quarter | 15,560 | 18.10 | 281,746 |
| Second quarter | 15,858 | 14.25 | 225,916 |
| Third quarter | 15,927 | 15.67 | 249,729 |
| Fourth quarter | 16,653 | 15.00 | 249,316 |
| Total | 63,998 | 15.60 | 1,006,707 |

## Alcona Gold Mines Formed By T. W. Powell

Alcona Gold Mines was recently incorporated with T. W. Powell as president to acquire and develop three groups of claims in the Minnietaki Lake area near Superior Junction on the Canadian National Railway.

Considerable surface work has already been carried out which has disclosed three vein systems known as the northern, central and southern systems. The only part of the three systems which has been systematically prospected is the eastern part of the northern system and in this surface sampling has disclosed two ore shoots. Test pits have been sunk at various places and veins have been laid bare and assayed. Some of these are quite high over narrow widths.

The regional geology has been very favorably resorted on in the preliminary report of the Ontario Department of Mines by their geologist, Dr. M. E. Hurst. Speaking specifically of the property which Mr. Powell has turned over to the company, Dr. Hurst states that "the veins are well mineralized by pyrite, galena, chalcopyrite and sphalerite and yield interesting values in gold and silver."

The company is being financed jointly by Canadian and American interests and a progressive development campaign is assured.

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## Jones Porter Mines Considering New Offer

The meeting of Jones-Porter Mines shareholders held last week in Toronto was adjourned to January 11, to permit further consideration being given to refinancing the company and resuming operations. The company owns a gold prospect consisting of approximately 600 acres in Deloro township, Porcupine district, Ontario, on which a shaft has been sunk to a depth of 149 ft. Some 3,000 to 4,000 tons of ore has been mined and is on the dump. The company has a mill, formerly at the old Croesus mine, that is partly assembled.

A proposal has been made to the company to supply additional funds, which will involve giving some security with an undertaking to make the repayment from earnings. It is this new deal that shareholders will be asked to approve at the forthcoming meeting.

It is said that $25,000 will put the property in operation. First it is proposed to complete the erection of a mill and treat the ore already on the dump, thus providing an immediate source of income. It is also planned to sink the shaft an additional couple of hundred feet and carry out drifting in an effort to prove up the ore found on the surface. Since operations started in October, 1930, the company has been endeavoring to finance and its treasury is in a healthy state with respect to unissued shares, of which something over 1,000,000 shares remain out of the authorized capitalization of $3,000,000 in $1 par value shares.

## Hudson Bay East Coast Described By Airth

W. B. Airth, B.Sc., delivered an illustrated address before the Toronto Branch of the Canadian Institute of Mining & Metallurgy, on "Prospecting on the Upper East Coast of Hudson Bay."

Heading a party of four Mr. Airth left Moose Factory, James Bay, in June, 1931, and spent 16 months prospecting the mineral potentialities of this little known area west from the base established near Cape Smith. In this effort his party penetrated about 175 miles inland—much farther inland than any white man is known to have explored — examining a greenstone belt some 60 to 70 miles in width. He found much evidence of mineralization extending 100 miles inland. Several massive sulphide bodies were exposed over an area two miles by four miles, having values in nickel, copper and gold. It will require much more exploration, he said, to determine if concentrations exist of commercial importance. The bodies lie adjacent to the coast and easy deep water transportation.

## Falconbridge Nickel Mines Declares Initial Dividend

Falconbridge Nickel Mines declared an initial dividend of 10 cents per share payable January 20 to shareholders of record January 14. This will involve an outlay of approximately $320,000 of which $155,000 will go to Ventures and $120,000 to Sudbury Basin, based on these companies' respective share holdings at the end of 1931.

It is too early yet to expect a financial statement from Falconbridge showing earnings in 1932. In previous years it has not been the company's policy to disclose its earnings position.

**Algoma Takes Long Shot**

The latest venture of Algoma Mining & Finance Corp., is in Northern Quebec in search of a placer gold deposit. Based on the diary notes of an explorer who went into the area many years ago and who resides in New York, the company took up this obscure trail of new riches when substantial companies refused to recognize the meagre information available as justifying the effort and expense necessary to follow it up.

**Central Patricia Stakes Claims**

Central Patricia Gold Mines has had its prospectors busy staking a group of 27 claims, adjacent to the company's holdings in the Patricia district. Recently it was announced that finances had been arranged to permit the construction of a mill. The first payment on this option agreement has been made and upon receipt of the next payment definite steps will be taken towards mill construction.

**Coal Importations Into Canada**

A report of the Dominion Fuel Board on coal importations for 11 months of 1932 shows that Canada received in this period 1,545,026 tons of United States anthracite and 1,333,457 tons of British anthracite. Imports of bituminous coal included 7,512,316 tons from the United States and 343,400 tons from Great Britain. There was also imported into Canada 44,909 tons of anthracite for the domestic market from Germany and 650 tons from Belgium.

**To Test Hixon Creek**

Advice from Vancouver states that Brian Briscoe and associates have acquired a group of nine leases on Hixon Creek which will be tested this spring. A $1,000,000 company is to be formed and the vendors will receive $50,000 in preferred shares secured by gold recoveries from the leases.

## CAN. VINEGARS EARNS DIVIDEND BY SLIM MARGIN

### Shows $1.65 Per Share on Common — Working Capital Higher

Net earnings of Canada Vinegars Ltd. showed reduction in the year ended November 30,1932, to $233,150 from $251,390 the preceding year. After deduction for depreciation, income tax reserve and payments accruing to minority interest in Western Vinegars Ltd. the company earned $1.65 per share on the 92,000 shares of no par common stock outstanding as compared with $1.83 per share in 1931 and dividend paid of $1.60 per share. Working capital position was improved with current ratio up to 4.32 to 1 from 4.05 to 1.

The income and surplus account of the company in the past two fiscal years has been as follows:

Consolidated Income and Surplus Account
Years Ended Nov. 30

| | 1932 $ | 1931 $ |
|---|---|---|
| Net earnings* | 233,150 | 251,390 |
| Less: Depreciation | 57,467 | 58,585 |
| Income tax reserve | 21,194 | 20,000 |
| Western Vinegars min. int. | 2,792 | 4,130 |
| Net profit | 151,697 | 168,675 |
| Less appropriations: Dividends | 147,200 | 147,200 |
| Surplus for year | 4,497 | 21,475 |
| Add: Previous surplus | 200,463 | 178,988 |
| Balance carried forward | 204,960 | 200,463 |

*After all costs of operation, management, selling and office overhead expenses.

Current assets include cash at $43,974 and Dominion of Canada bonds at cost of $20,832. In the previous year cash stood at $39,188 and bonds at $55,000. Accounts receivable are up to $65,138 from $54,199 and inventories to $319,401 from $275,736. Current liability items show slight increase offset by absence of dividends accrued on minority interest in preferred shares of Western Vinegars Ltd. shown last year at $6,249. Accounts payable are $25,583; liability to customers for containers returned is $28,810; provision for containers returnable is $27,500 and reserve for income taxes is $22,000.

Working capital position is as follows:

Working Capital

| | 1932 $ | 1931 $ |
|---|---|---|
| Current assets | 449,345 | 424,123 |
| Current liabilities | 103,893 | 104,754 |
| Working capital | 345,452 | 319,369 |
| Ratio | 4.32—1 | 4.05—1 |

Fixed assets are carried at $1,518,169 against which reserve for depreciation of $250,706 is carried as a liability. Mortgages payable on plants in Edmonton and Vancouver have been reduced to $16,451 from $25,493. Capital stock of Western Vinegars not owned by Canada Vinegars is carried at $69,001 as against $93,961 in 1931. Stock of Canada Vinegars is carried at $1,322,503 and surplus is $204,960.

## PAINTING WORK MAY AID SALES

### Sherwin-Williams Head Sees Potential Demand in Industry

Much painting work on industrial and residential property of all kinds has been deferred for so long that there must soon be a demand for paints and varnish to safeguard such property from damage from the elements, according to D. A. Whittaker, vice-president and managing-director of Sherwin-Williams Co. of Canada, who was recently interviewed by Hardware and Metal, Toronto.

Mr. Whittaker indicated that railways and some other large paint users had deferred a large amount of painting in recent years. Some bridges and other steel work as well as vessels which had been scheduled for painting as far back as 1929 had been left undone, and Mr. Whittaker thought it was just a matter of how long such work could be safely postponed in view of the fact that the elements play havoc with metal construction left without adequate painting.

**Elements Rust Metal**

In illustration of this it was pointed out that a wooden barn left without paint for fifty years might be left standing, although it would be the worse for wear, but a metal barn treated in this way would be little better than a pile of rust. For this reason Mr. Whittaker thinks that those in charge of valuable industrial properties will not neglect painting much longer.

The recent British insistence on shipments from Empire ports in order to get the full benefit of the Imperial preferences should increase shipping by Canadian firms, Mr. Whittaker believes

ONTARIO PROSPECTORS AND DEVELOPERS ASSOCIATION
Room 606, 67 Yonge St., Toronto.

Gentlemen:

I hereby apply for membership in the above association and enclose ...................... as a contribution toward the funds of the organization during 1933.

NAME ....................................................

ADDRESS ................................................

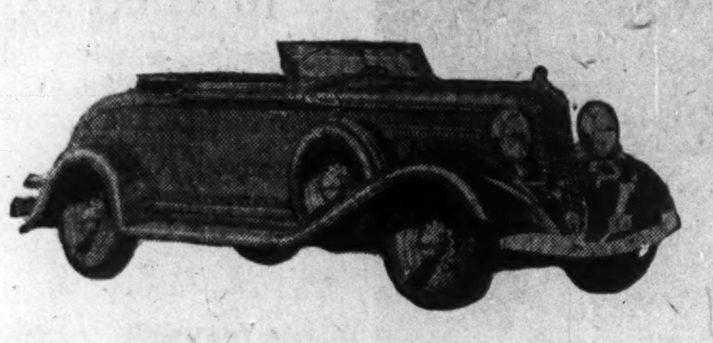
DATE......................

This association protects the interests of all those interested in mining. No matter what your occupation, if you hold a mining license or mining shares, if you are a prospector or developer, if you hold a share in a mining partnership or syndicate, if you work in a mine, or sell to the mines. Please sign and return this form with whatever you can afford.

R. J. JOWSEY, Sec.-Treas.

MINING CASTINGS
Dependable Manganese Liners and Crusher Parts
Sorel Steel
FOUNDRIES LIMITED
SOREL Where the Richelieu meets the St. Lawrence QUEBEC

# National Motor Show of Canada Opens at Toronto Jan. 14



This is the 1933 De Soto custom convertible coupé. The fenders are built in a curve right across the front of the car below the curved radiator grill. The artillery wheels are special equipment, wire wheels being standard on the new De Soto.

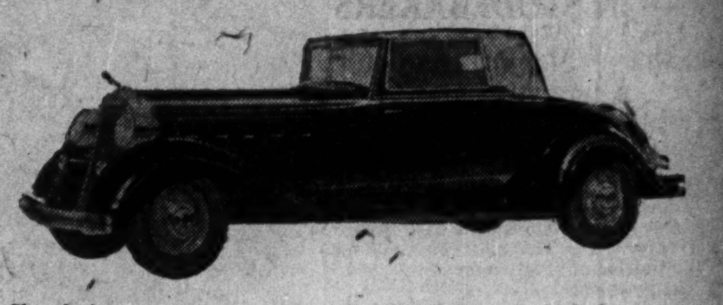
PRODUCTS of the largest manufacturing industry in the world, and one of the most important in Canada, as especially designed to meet 1933 requirements, will be on display when the National Motor Show of Canada is officially opened at Toronto on Jan. 14. A striking group of motor car models is to be shown, including most of the makes of cars which will be sold throughout Canada during 1933.

The show is being held in the Automotive Building in the Canadian National Exhibition Grounds, Toronto, and is being sponsored by the Canadian Automobile Chamber of Commerce, the motor manufacturers' association of the Dominion. In the C. N. E. building the manufacturers of motor vehicles of Canada have excellent facilities for displaying their products to the best advantage, and the public has the best possible chance to inspect the cars. The building being the only one on this continent designed for motor show purposes exclusively, offers facilities to producers and public alike of getting the greatest benefit from the displays.

Public interest in the 1933 show should be keen despite the fact that the event is taking place almost two months earlier than the 1932 display, which was held just at the start of the spring car-buying season. The chief reason for public interest this year is that most of the models to be displayed will be viewed for the first time and incorporate important changes in interior and exterior design which add to the attractions of motor vehicle ownership.

Depression is hardly a reason for failing to evince an interest in the new cars which will be sold in Canada in 1933. Prices of better constructed examples of makes that have been long in the public favor are lower and a number of lines of new and well-equipped cars will be introduced in the lowest price field this year. These will be seen at the show.

In addition to the attractions offered in the form of new car models, entertainment of diverse nature will be furnished at the show. This will include an elaborate fashion show of newly-created garments of all-Canadian manufacture, daily cooking displays and dinner dances and fine music. An added event of interest to Canadian motorists will be a service display of the care of motor cars. A novel feature will be a display of the unusual powers of mechanical men by one of the leading Canadian manufacturers of electrical equipment. These, however, are incidental to the real business of the show — the display of the automobile values available to Canadians in 1933.



Chrysler's new car for 1933 is the Royal eight line of which the convertible coupé is shown above. The windshields in this line are divided in the centre to allow a vertical and horizontal slant. Note the absence of fender valances.

## Motor Heads Feel 1933 Replacements Will Boost Sales

### While Replacement Demand is Being Built Up Quickly Because of Last Three Years' Low Sales It May Not Have Full Effect in 1933

### CANADIAN FIRMS SEEKING MORE EXPORTS

### Lower Prices Throughout Industry Should Prove Attractive to the Public; Results Should Be Increased Sales; Cash Reserves, Absence of Debt Aid Industry at Present

Confidence in the future of the automobile industry and especially in prospects for 1933 is expressed by leaders of the industry in Canada, a check-up by The Financial Post reveals. Automotive executives indicate that a replacement demand is being built at a fast pace because of the declining sale of cars in the last three years, and feel that at least part of this demand should be felt in 1933.

An outstanding feature of the position of the automobile industry at the start of this year, it is pointed out, is that inventories have been generally thoroughly liquidated, and although losses have been suffered, cash balances have been fairly well conserved. Reserves built up during more prosperous years are now standing the industry in good stead, and the absence of funded debt has aided automobile companies in meeting problems of current financing.

#### No Need for Concern

D. R. Grossman, vice-president of the Studebaker Corp. of Canada, and president of the Canadian Automobile Chamber of Commerce, indicates that there is no need to be concerned about the future. He points out that prior to 1930 the automobile industry was booming and increases in sales, profits and salaries were looked upon as a natural yearly development. This, he thinks, has now been changed, and the automobile industry is now in a position where it must adjust itself to more stable conditions as older established industries did before it.

The replacement demand must now be relied upon, Mr. Grossman thinks, in a large measure to provide the stable year to year demand for automobiles necessary to sustain the industry. It is granted, of course, that renewed prosperity in the industry and throughout the world will create new demand and will make replacement demand much more noticeable. Mr. Grossman feels that it is problematical as to how long the depression may prevail, but believes that public optimism as to the future and a realization of the commencement of better conditions will do a good deal to help lift the slump in business. As for 1933, Mr. Grossman does not see any reason to suppose that the motor industry will not do at least as well this year as it did in 1932, which, however, was an unsatisfactory year.

#### 1933 Volume Uncertain

John D. Mansfield, president of the Chrysler Corp. of Canada, states that it is difficult to predict what the volume of automobile business will be in Canada in 1933, but feels that it will be at least as good in 1933 as it was in 1932. He says that plants have been adjusted to this smaller volume in past years to take care of such lower sales, and this has been accomplished without severe loss to the industry.

Mr. Mansfield points out that lower prices throughout the industry should aid sales in 1933. He feels that Chrysler should get a larger share of the total business for 1933 than it did in 1932, although in the latter year this company obtained a larger share of total business in Canada than it did in 1931. He points out that the new low prices for Dodge models should give dealers an excellent opportunity to increase their sales materially in 1933.

There is a good possibility of increasing export business as well as domestic business in 1933 as far as Canadian motor manufacturers are concerned, Mr. Mansfield told The Financial Post. The Canadian Chrysler company is developing a large export business, and is attempting to get the United States company to allow it to handle more of the total Chrysler export trade, especially to the British Empire, this being a logical development following the agreements made at the Imperial Conference in Ottawa last summer. He points out that this would be a valuable development for Canada generally as the Canadian company gives business to over 50 towns and cities in Ontario and Quebec and purchases material from over 200 firms in these centres. Any such increase in Chrysler export business means increased trade for these supplying firms.

As far as Chrysler products are concerned, Mr. Mansfield indicates that, as both Plymouth and Dodge models are now available in the lowest price field, the company expects to feel the benefit of this even more in 1933 than it did in 1932.

#### Outlook Good for Ford

Wallace R. Campbell, president of the Ford Motor Car Co. of Canada, was definitely optimistic about the company's prospects for 1933 when interviewed by The Financial Post. He expects that the company may enjoy an increase of 25 to 30 per cent in its total volume of business in 1933 as compared with 1932. He points to the increasing replacement demand as the chief reason for this.

However, Ford of Canada also expects to improve its export business substantially in 1933, even if the domestic business is not much better than it was in 1932. Mr. Campbell felt that lower prices throughout the industry would also be a strong factor in improving motor car sales in 1933. It may be judged from these remarks that the price of Ford cars in 1933 will be at least as low and possibly lower than it was in 1932. In this connection Mr. Campbell stated: "A car over $1,000 hasn't a chance," this remark being made in connection with sales in the moderate price field. No indication has yet been given of the type of car which Ford will produce in 1933, but its earlier production schedule, which is expected to start in the course of the next two weeks, should aid substantially in increasing 1933 sales, Mr. Campbell thinks.

#### Expect Demand to Improve

R. S. McLaughlin, president of General Motors of Canada, says of the prospects for 1933:

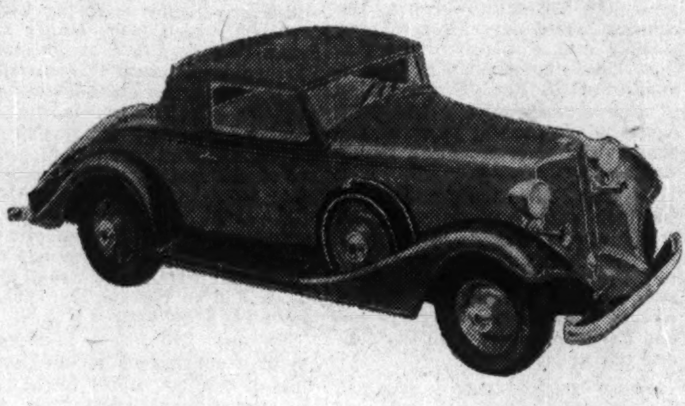
> "With regard to the outlook for the automobile industry itself, we expect the demand for cars to improve. The cars themselves are better, and reasonably priced. Export business may be revived to some degree by recent treaties with Empire countries. Moreover, we need not go beyond the boundaries of Canada to see prospects of a good motor trade stretching into the future. Indeed, for the coming year we anticipate an upward turn in the sales curve."

Mr. McLaughlin points out that living conditions in Canada have improved steadily and that the highway mileage has increased to over 378,000 miles. He says that motor transportation has progressively acquired a vital rôle in Canada's national life, and that nearly everyone is dependent to some extent upon the automobile. He says that a decline in motor car registration such as has existed recently does not mean that an end has come to the demand of the motor vehicles but that unprecedented economic conditions have reduced buying. He says that there is almost no decrease in the use of cars, and that although present day cars are well built, their life is limited, and expects a high mortality rate for cars now in use. This means that a big market is waiting for the industry, he thinks.

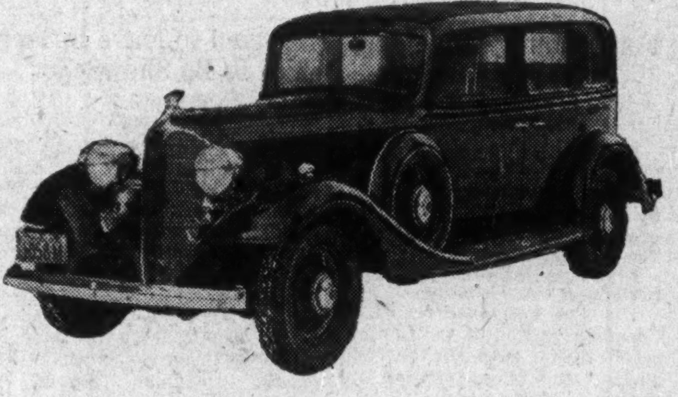
#### Hopes for 10% Increase

Roy D. Kerby, president of Dominion Motors Ltd., informs The Financial Post that the prospect for sales by the automobile industry in 1933 is decidedly uncertain, but that he hopes to see a sales increase of about 10% for the Canadian industry this year. He points out that an enormous future market is being built in the form of replacement demand, and expects that when the ultimate full effect of this demand is felt by the industry it will tax capacity to the utmost. However, he does not expect this condition to develop in 1933, and points out that it is impossible to predict just when it will take place.

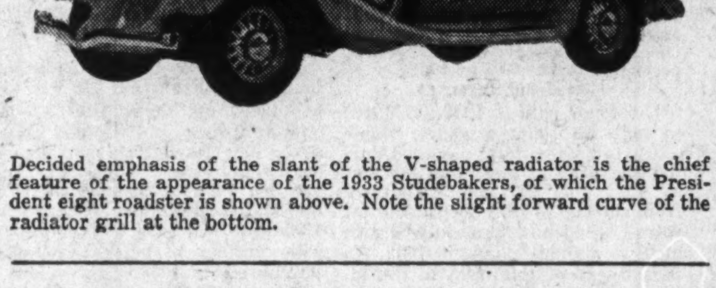
As far as Dominion Motors, his own company, is concerned, Mr. Kerby is highly optimistic about the prospects for 1933. He feels that the company's re-entry into the lowest price class with a 4-cylinder Frontenac model should result in an increase in unit sales which may amount to more than twice the entire 1932 business of the company.



A tendency toward "tear drop" body design is seen in the 1933 Chevrolet line of which the convertible roadster is shown above. Wind streaming of the body lines is responsible for the new effect.



Fender valances on the 1933 McLaughlin-Buick conceal the undercarriage of the car from sight. The illustration above is of the 119-inch wheelbase eight cylinder special sedan. The "no-draft" ventilation style of window is plainly visible in the picture.



Decided emphasis of the slant of the V-shaped radiator is the chief feature of the appearance of the 1933 Studebakers, of which the President eight roadster is shown above. Note the slight forward curve of the radiator grill at the bottom.

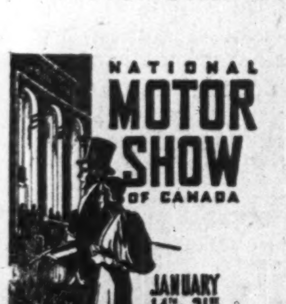
## The Automobile Industry Gives Stimulus to Business

Businessmen who look upon the motor car industry as a barometer will agree that anything that can be done which will stimulate automobile sales will be reflected in a wide range of industries.

The expenditure, which the motor car companies are undertaking to present a show such as that to be held in Toronto next week is a contribution by the industry to hasten the return of better times. The automobile companies of Canada feel it is an example of constructive optimism to which finance and general industry should give their moral support.

The motor car companies have confidence that 1933 will prove a year of better business and are offering the public the newest automotive developments and designs —and greater value than ever before.

THE CANADIAN
AUTOMOBILE CHAMBER OF COMMERCE



The attractions in connection with this event include:

All the new models by the motor car companies.

A Fashion Show on an elaborate scale and Household Economy Demonstrations.

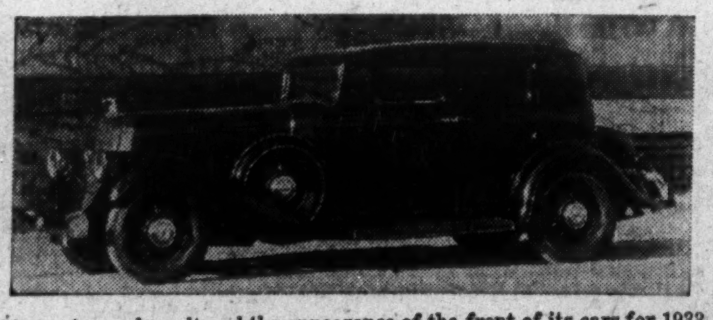
A most interesting display of robots.

Cabaret and entertaining floor show.

COME EARLY
COME OFTEN

*For Dinner Reservations Phone Adel. 9807 or Adel. 5115*

### Pierce-Arrow Front Altered



Pierce-Arrow has altered the appearance of the front of its cars for 1933 by adopting the slanting V-shaped radiator grill, redesigning the characteristic fender head lamps and adding fender valances. The tops of the head lamps are now on a level with the tops of the front fenders. Fully automatic power brakes are the chief new mechanical feature in these cars.

## MONTREAL SHOW OF 1933 MODELS SET FOR JAN. 21

### Eastern Canada to See One of Continent's Largest Displays

National Motor Show of Eastern Canada will be held at Montreal, Jan. 21 to 28, under the aegis of the Montreal Automobile Trade Association. The display will be held in the Stadium Building at Delormier and Ontario Sts.

Applications have been made by leading motor manufacturers for all the available space in the building, and it is expected that practically all makes of new cars to be sold in Canada during 1933 will be shown.

#### Show New York Models

By co-operation with directors of the New York Show, which closes Jan. 14, the Montreal exhibition will include special models which were displayed in the United States city.

The National Motor Show of Eastern Canada, held at Montreal, should not be confused with the National Motor Show of Canada being held at Toronto a week earlier. The Toronto Show is officially sponsored by the Canadian Automobile Chamber of Commerce, and the Montreal Show by the Automobile Trade Association of that city. However, the Montreal show will include exhibits by all the members of the Canadian Automobile Chamber of Commerce, and will be complete in every respect. In fact it will be one of the largest shows in the history of Montreal, which city has been the scene of such displays for 20 years.

#### Reasons For Toronto

The officially sponsored show of the Canadian Automobile Chamber of Commerce was formerly held in Montreal, but was transferred to Toronto shortly after completion of the new automotive building at the Canadian National Exhibition grounds in the Ontario city. The reason for this change was that when the City of Toronto was considering the erection of the new structure, the Canadian Automobile Chamber of Commerce undertook to guarantee the use of the space over a ten year period, The Financial Post is informed, and, being under this obligation, must naturally make the best use of the Toronto facilities. As the show at the C. N. E. in the fall is of little comparative value, coming as it does toward the end of the sales season, it was natural to transfer the spring show to the Toronto building, which was contracted for on a yearly basis, and thus get the maximum use from the contracted space.

In addition to these reasons, Toronto is nearer than Montreal to the point of manufacture, and is also the centre of the largest market for cars in Canada.

### Fords Not Displayed at Nat. Motor Show

It is understood that Ford Motors of Canada will not have its new models on display at the National Motor Show of Canada which opens at Toronto on Jan. 14. The 1933 Fords have not yet been announced, and any production work that has been done as yet has been solely in the United States.

The plans of the company for 1933 are still a mystery in automotive circles as has been the case in previous years. With the entry of a number of new competitors in the lowest price motor field this year. Ford will not have a complete dominance of this price group, but is expected to improve sales by an earlier start on production. Rumor has it that the 1933 Fords will consist of a six and an eight or two eight cylinder models in an effort to combat the efforts of other makers to place larger cars in the low price class, but there is no satisfactory confirmation of this. However, in previous years such speculation as to Ford plans has not been very wide of the mark.

### Dominion Bureau Handbook Ready For Distribution

Dominion Bureau of Statistics announces the publication of the 1933 edition of the official annual handbook dealing with present conditions and recent progress in the Dominion.

The book is designed to give a concise but well-rounded picture of the current Canadian situation to those at home and abroad, and to provide a better basis of information for the discussion of Canadian affairs generally and in particular for dealing with the business problems of 1933.

Applications for copies of the handbook should be addressed to the Dominion Statistician, Dominion Bureau of Statistics, Ottawa.

## Better Automobiles at Lower Prices Feature of Show

### More Companies Enter Low Priced Field Than Ever Before and Offer Improved Models in Effort to Increase Sales

### WINDSTREAMED BODIES IN MOST MAKES

### Power Braking, No-Draft Ventilation, Cross Steering and Fully Silent Transmission Are New Developments—Thermostatic Engine and Fuel Heating Now Used

Lower prices for better cars is the policy with which the automobile industry hopes to increase its sales in 1933 as compared with 1932. There was never a year in the history of the industry when as many makers contended for the lowest price field as will be the case in 1933, and there was never a time when as much value was offered for the car buyer's dollar as in 1933, judging from preliminary showings of 1933 models.

Economists, and those who have carefully studied the automotive situation, state that, first of all, to reach the vast market of buyers who have been marking time for two years, the chief considerations must be low initial cost and lowest cost for operation and maintenance in step with present conditions.

However, it is also definitely pointed out that those factors alone would not open the market unless the new car also conforms to every modern conception of comfort, quality, style and performance. This is the condition that manufacturers have strived to meet with their 1933 models.

#### Previous Models Excelled

Anything previously produced in the automotive line is excelled by the new 1933 cars, and it is expected that public interest in the displays at the National Motor Show of Canada at Toronto will be keen because of the increased replacement demand which has been built up in the last three or four years. In terms of 1933 developments, many cars which were built only three or four years ago now appear antiquated. Even a casual examination of the improvements incorporated in the new cars would lead the observer to the conclusion that the ultimate in motor car design has now been closely approximated. Every year, however, brings some new development which had not been contemplated by the public in previous seasons.

Improved appearance, on somewhat similar lines in most makes, is a notable development in the cars to be shown at 1933 shows. New body designs show a decided trend toward the "tear drop," streamlined or windstream design, which has been developed in order to decrease wind resistance, at the same time improving the appearance of the automobile. It is estimated that new streamline designs decrease wind resistance by as much as eight per cent in some models. The reduction of wind resistance has been carried out throughout the exterior design of the new cars. The shape of fenders, splash apron, fender valances, running boards, lamps, radiator and beaver-tailed rear ends are all striking combinations to the streamlining tendency in 1933 models. Skirted fenders have come in on a larger number of the 1933 models but are not universal. Elimination of the visor over the windshield and sloping front windshield posts have been adopted by nearly all makers to aid in windstreaming.

#### Lower Prices Prevail

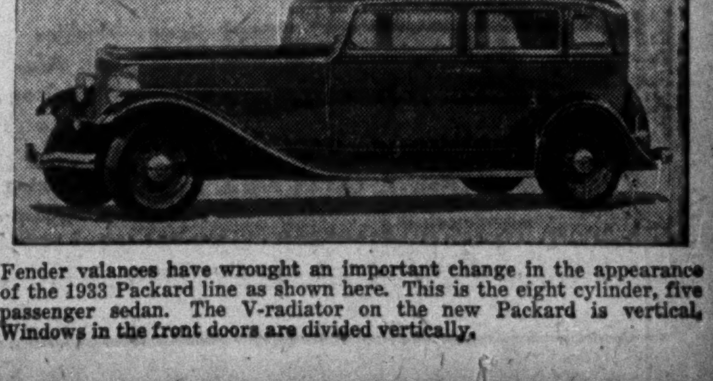
Generally lower prices prevail throughout the motor industry for 1933, and in addition improvements have been incorporated in cars which make the values given for the motor buyer's dollar greater than ever before. Among the new accessory developments and improvements for 1933 are Fisher "no-draft" ventilation, a feature on all General Motors models shown to date, power braking on all Studebaker models and in automatic form in the Pierce Arrow, and completely silent synchromesh gear shifts and "cross-steering" by Chrysler. The thermostatic control of engine heating and automatic thermostatic control of fuel heating so that starting can be accomplished without difficulty in zero or sub-zero weather is another new development in 1933 cars.

#### Freewheeling Available

Freewheeling is still a popular feature with many of the 1933 models, but is not standard in all. However, there are very few makes of cars now in the market which do not have freewheeling and automatic clutch as standard equipment or which do not make it available as an optional extra at slight additional cost. Another new feature which will appeal to the motorist who is annoyed by body and spring squeaks is the metal spring cover which is now standard equipment on a number of the new cars. This spring cover seals in the lubricant, and the action of the springs themselves forces an excretion of oil into the springs at the point where squeaks easily develop.

Cross steering is a new mechanical device incorporated in Chrysler 1933 products, and is said to largely eliminate front wheel shimmy. It also allows the steering wheel to be slanted back farther. Electro-plated pistons are used in the new Buick to shorten the breaking in period, which is a feature that should appeal to the impatient.

### Packard 5 Passenger Sedan



Fender valances have wrought an important change in the appearance of the 1933 Packard line as shown here. This is the eight cylinder, five passenger sedan. The V-radiator on the new Packard is vertical, Windows in the front doors are divided vertically.

# POWER BRAKING IS 1933 FEATURE IN STUDEBAKERS

## Sharp Sloping Radiator Alters Appearance 1933 Models

Studebaker 1933 line of cars includes a new President Eight, a new 100 h.p. Commander Eight in the $1,500 field and a new Studebaker Six. The most outstanding Studebaker improvement this year is power braking.

An important change in the appearance of the Studebaker has been made by sloping the radiator at a much sharper angle than formerly and adding a slight curve forward at the bottom. The fenders blend into the radiator apron and are carried low over the front wheels to cover the under carriage of the car from sight. The entire body of the car has been brought more into line with full stream lining which, it is said, has reduced wind resistance approximately 8 per cent. It is understood that on the large President Eight, nearly four miles per hour has been added to the maximum speed because of this change in design.

**Back End Changed**

Marked change is made in the treatment of the back end of the car. Instead of the rear end being convex and curving up to meet the body as heretofore, it is now made concave with a lip which extends out and slightly down concealing the rear springs. The running boards have been given a slight curve to conform with the new trend in body line and to blend into the rear fenders. The reduction of the wheel size on the eight cylinder models from 18 to 17 inches has resulted in a general lowering of the car.

Safety plate glass is provided throughout in all Studebaker lines which, in conjunction with armour plated body construction and steel wended cowl units, gives additional safety to the user. The Bendix power brakes are of the two shoe mechanical type on all four wheels and are equipped with vacuum cylinders which greatly reduces the pressure required on the foot pedal. This eliminates the need for the driver to depend on his own strength to bring the car to a stop. Hand brakes operate on all four wheels.

**Automatic Starting**

Automatic starting has been retained in the new models and an automatic temperature control device has been added to warm the fuel mixture in the intake manifold to the best heat for combustion in the engine. In addition the control of ratio of fuel to air in the incoming carburetor mixture is controlled by an automatic choke.

Freewheeling and synchronized gear shifting give smoothness and quietness to the new Studebaker. Metal spring covers have been made standard equipment on all models to prevent objectionable spring squeaks by sealing in the lubricant.

Riding comfort has been enhanced by the extension of ball bearing spring shackles and automatic ride control on all Studebaker models. This form of ride control automatically adjusts shock absorbers to the exact degree of resistance required by speed, temperature and road conditions, it is said. This device takes care of all changing road conditions without the driver operating it.

**Adjustable Seats**

Upholstery in the new cars is of broadcloth or mohair with leather in all convertible models. Front seats are adjustable in all models except convertible sedans, and heavy padded arm rests are provided in all rear seat closed jobs. Door handles and all other interior hardware are finished in bright nickel. Closed models are all wired for radio installation.

Wire wheels are standard in all models but steel spoke artillery type wheels are optional at slightly increased cost. Tires used throughout are large balloons, in the Presidents being 7 x 17 in., in the Commander 6½ or 6 x 17 in., and in the Studebaker six 5½ inches by 18 inches. The new Studebaker Commander Eight has a 100 h.p. engine. The President Eight has a new 110 h.p. engine but the longer wheelbase President has a 132 h.p. engine, being the most luxurious line in the Studebaker group. In the field below $1500 the Studebaker six has been developed with a power unit developing 85 h.p. The compression ratio of these engines throughout is 5½ to 1, and this in conjunction with the change in the combustion chamber is said to contribute to an increase in the power of the motor.

The instrument panels in the new Studebaker are simple and attractive in appearance with instruments of airplane design and pointer type dials designed for easy reading. An electric gasoline gauge is provided with a small button to give accurate reading with the ignition turned off.

### *Oldsmobile Has Eight and Six for 1933*

On the left, above, is shown the new Oldsmobile eight cylinder coach, and on the right the new six. The chief difference in appearance between the two lines is given by the forward curve of the V-radiator grill at the bottom of the eight. Torpedo-like lines are accentuated by the shape of the three horizontal hood louvres. Note the steel spoke wheels, and novel style of fender skirting.

# LATEST AUBURN 100 H. P. EIGHT IS SALON LINE

## Dual Ratio, Freewheeling Chief Features 1933 Models

Three complete lines of straight eights with distinctively modern design, have been announced by Auburn for 1933. An addition to the 8-101 standard and custom lines is the new 8-105 "salon" series of straight eight 100 h.p. cars.

Foremost among the features of the new salon models are dual ratio, L. G. S. freewheeling, silent and constant mesh transmission, full four-point rubber air-cushioned engine mounting, automatic chassis lubrication, automatic hydraulic shock absorbers, airplane strut bracing in cowl assembly, and an entirely new "X plus A" cross member chassis frame.

The new series is 127-inch wheelbase, built on a 127-inch wheelbase, and features large, roomy bodies.

A slanting V-type one-piece windshield, sloping vertically and horizontally away from the driver, deflects glare and makes night driving safer. The new type radiator shell embodies a grid with vertical fins of stainless steel. A distinctive and individual apron is placed at the lower end of the radiator.

**Hydraulic Brakes**

Internal expanding hydraulic brakes are standard on all cars in the salon series. A compensating cylinder is provided.

Quiet engine operation and elimination of vibration from this source is aimed at in the new four-point rubber air-cushioned method of engine mounting. Another feature is the mounting of the engine inside the chassis frame rather than to the side rails.

The engine is Lycoming straight eight, developing 100 h.p. at 3,400 r.p.m.

Five models are available in the salon line, including brougham, sedan, phaeton, cabriolet and roadster.

# Dominion Motors Offers New Car at Lowest Price

## Forthcoming Models Are Expected to Have Influence on 1933 Earnings—Deficit to Be Shown For 1932 May Reduce Surplus

Re-entry of Dominion Motors, Ltd., into the lowest priced class in the automotive field is expected by officials to yield a 200 to 300 per cent increase in unit volume in 1933. The new low-priced model will be a 4-cylinder Frontenac, with an entirely new chassis design.

The new Frontenac four is the Canadian version of the Continental 4-cylinder model in the United States. One of its features is declared by the company to be an unusual economy of operation, a recent 11,000 mile test having shown that the car is capable of 30 to 35 miles per gallon of gasoline. In appearance the new car will be of aero-dynamic design in accordance with the latest trend of the motor industry.

**Earnings Uncertain**

A deficit will be shown on 1932 operations, The Financial Post is informed.

The deficit for the year 1931 amounted to $356,730 after payment of dividends amounting to $113,978. Surplus at Dec. 31, 1931 amounted to $406,954, after provision for a reserve of $227,966 for dividends to be paid in 1932.

**Dividend Reserve**

Dividends paid in 1932 amounted to only 10 cents a share, which would indicate a total payment during the year of less than $30,000, so that the $227,966 withdrawn from surplus in 1931 to provide for future dividends was only drawn upon to a small extent in 1932. An adjustment of this item in the income and surplus account for the year ended Dec. 31, 1932, could substantially improve the surplus account. It is understood that this special dividend reserve now stands at only slightly less than $200,000. As no dividends have been declared against this $200,000, there would seem to be nothing but the need for the consent of the company's auditors to prevent the return of this sum to surplus in the 1932 statement.

**New Chassis Design**

In keeping with the new body lines being developed in the Frontenac, Dominion Motors, 1933 product has an entirely new chassis design, which has been developed with the idea of reducing weight and at the same time, lowering the centre of gravity. In addition to improving the riding and safety factors in motoring, this is said to improve greatly the appearance of this car over previous low priced models manufactured by Dominion Motors. The engine has been set in a new type of vibrationless mounting, which is said to reduce to a minimum the amount of vibration transferred to the body from the action of the motor.

The price of this 4-cylinder Frontenac may be the lowest in motordom in 1933.

In addition to the new Frontenac four, a new Frontenac six will also be placed on the market by Dominion Motors in 1933, and an entirely new Durant six will also be sold. These new models, in conjunction with the production of the Reo and the Dominion Motors lines of trucks, will give the company a wide variety to offer automotive purchasers in 1933. However, it is to the new Frontenac four that the company is looking to give it the large increase in unit volume, which is hopefully expected by officials.

# 5 MOTOR GROUPS 4 EIGHTS AND SIX IN NEW NASH LINE

## Silent Second and Freewheeling Standard in All Models

Five new motor groups are featured in the new 1933 Nash line of cars. These include the Ambassador, Advance, Special and Standard eights and a new six cylinder model. The standard eight is a new popular priced line.

Included in the engineering improvement in the Nash 1933 models are synchro-shift, silent second transmission and synchro-shift freewheeling, double action shock absorbers, and thermostatically and automatically adjusted engine and riding controls to suit all weather conditions and for any type of road. The standard eight is equipped with self-adjusting swing shackles, safety plate glass, windshield lock, and other ultra modern conveniences. This series is offered in five body styles on a 160 inch wheelbase. The big six and standard eight both have a modernized grouping of controls with a foot-operated headlight dimmer. The starting button and freewheeling lock lever are located on the steering post bracket.

**Ambassador Eight**

The new Ambassador twin ignition eight has 125 h.p. motor and is built on wheelbases of 142 and 133 inches. The twin ignition eight has 100 h.p. motor and 128 inch wheelbase.

Other Nash features in the whole line of cars include full-range ride control, regulated from the dashboard, improved carburetion with air-cooled gasoline line, complete sound proofing of bodies and chassis, larger tires on small wheels and slipstream body designing.

The new body design is similar to that used last year. The front is V-shaped with slanting radiator and windshield to slip the wind and the air stream over the top of the car. This is aided by the curve of the fenders and the curve of the roof line. Finally, the beavertail back design is used to reduce the pull set up by whirling wind which ordinarily follows behind a swiftly moving car. This eliminates the vacuum behind the body which would ordinarily hold the car back.

# POWERED BRAKING IN PIERCE-ARROW FULLY AUTOMATIC

## Fender Lamps Retained But With New Design

Re-designed fender head lamps and the first full automatic brakes on this continent are featured in the new Pierce-Arrow models. The head lamps are built into the fenders but the top of the lamp is no higher than the top of the fender and is joined to it in a parallel line. Cross beam projection of lighting is a safety feature of the new head lamps.

Merely a touch of the toe on the brake treadle places the new power brakes in operation. It is claimed that this new development stops the car in one third less than the usual time and distance if desired. When the foot treadle is depressed it places in action a power unit which applies the brakes. Thus, it is understood practically no effort is required on the part of the driver of the car to bring it to a stop. This is expected to be an especially popular feature with lady drivers.

In response to the strong feminine influence among fine car buyers, Pierce-Arrow employs a woman art specialist to take charge of details of interior decoration in which feminine taste takes great interest. The result of this policy is said to be the development of a luxurious and attractive interior.

The engine in the 1933 Pierce-Arrow is almost a duplicate of that used when the car made its recent spectacular 2,710-mile run in 24 hours. However, this power unit has been improved by the addition of automatic hydraulic valve lifters, automatic chokes, full flow oil cleaner and temperature regulator. In addition a worm type rear axle has been adapted. Two straight flow type mufflers are used in tandem, and are tuned to absorb a certain amount of sound, instead of being tuned to produce a certain sound effect. The new Pierce-Arrow lines include 40 individual creations.

Thermostatic water temperature control is used in the motor block to aid in warming up the engine quickly.

### *Reo Stresses Stream Lines*

Further refinement of stream lining is seen in the 1933 Reo models. That shown is the Flying Cloud sport sedan. The chief new features of body design in the 1933 models are curved bumper, increased inclination of radiator, and new fender styling with curved valances.

# NEW OLDSMOBILE MADE IN 6 AND 8 WITH AERO LINES

## Torpedo Appearance is Given By Novel Stream Lines

Use of aerodynamic lines gives the 1933 six and eight cylinder Oldsmobile models a striking appearance. In the eight a sleek appearance has been obtained. The grill of the radiator consists of slender chromium bars arranged in herring bone style. The V-shaped grill has a slight forward curve at the bottom, blending in to the curve of the radiator shaft which is integral with the splash guard. A fine chromium molding outlines the inner edge of the radiator shell.

In both the six and eight cylinder models, the hood louvres are three in number and are torpedo shaped and cut horizontally. This gives an adidtional appearance of fleetness to the new cars.

**Wide, Low Fenders**

The front fenders are wide and low, and dip forward around the wheels almost to the bumper. They are shaped over the wheels, the lines forming a deep skirt, and the top fender curve follow about the same line and comes down to the running board only after turning sharply into a nearly horizontal line. The rear fenders follow a similar motif. The general design of the new Oldsmobile has been conceived to conceal most of the chassis and thus provide a highly finished appearance.

Another new feature on the Oldsmobile is the re-designed steel spoke wheels which are standard for the whole line. These are said to be lighter and stronger and to have other advantages over wooden wheels. They are also easy to clean and are in harmony with the general design of the car.

Better performance is claimed for the 1933 Oldsmobile as a result of new mechanical features. The six develops 80 h.p. and the eight 90 h.p. Both have Fisher "no-draft" ventilation.

**Automatic Choke**

The automatic choke introduced in last year's Oldsmobile models is retained and improved, and another automatic feature in the new car is the thermostatic water temperature control. Owing to the latter development and because of the ornamental radiator grill, radiator shutters have been eliminated.

Both the six and the eight cylinder engines in the new Oldsmobile are designed for new standard fuel. The bore and stroke of the eight has not been changed but the bore of the six has been increased. A change has been made in the brake hook-up to give to softer and smoother braking. Freewheeling is not standard equipment in these new models, but a vacuum automatic clutch may be installed by the buyer, at a small additional cost. Special models carry the vacuum clutch as standard equipment.

### *Custom Sedan by Auburn*

Above is shown the 1933 Auburn five passenger custom sedan. This car is built on a 127 inch wheelbase and is powered with 100 h.p. Lycoming straight eight motor. Dual gear ratio freewheeling and silent mesh transmission are standard in the Auburn.

# AERO LINED REO APPEARS LOWER THAN FORMERLY

## Fender Shields Conceal Undercarriage From Sight

Reo is offering a Flying Cloud for 1933, which looks longer and lower than its 1932 predecessor. Further development of streamlining is a feature of the body design, and is effected by means of greater angles of inclination in the V-type radiator, windshield posts and a changed curve in the one-piece front bumper. Outer edges of the front fenders have been extended downward to form shields to further protect the body and the under part of the car from mud splash and to conceal the chassis of the car from view.

The new Reo has a four-point engine mounting on air-cushioned units of resilient rubber to insulate the power plant arms from the chassis frame. A torque arm is fitted to the power plant so that the flexibility of the two front rubber mountings of the engine will not permit too much movement of the power plant.

Helical gears give silent second speed and synchronized shifting, as well as mechanical freewheeling. Three thermostats are features in the new Reo, which are said to ensure quick starting and smoothness and economical operation from the time of starting the motor. One thermostat provides automatic control of the choke valve in the carbureter, another controls the amount of heat supplied to the intake manifold, and the third retards circulation of the cooling water until it reaches the proper temperature.

A chrome nickel alloy with iron is used in construction of the Reo cylinder block, and pistons are of low expansion aluminum alloys, designed to resist wear. Each piston is provided with one scraper oil control ring below the pin and three compression rings all above the pin.

# Imperial Eight is Luxury Line of Chryslers

Chrysler's 1933 Imperial eight is made in five body styles; sedan, coupé, five passenger coupé, convertible coupé and convertible sedan. The wheelbase is 126 ins. and the over all length 191 ins.

The engine develops 108 h.p., and has a piston displacement of 298.65 cubic ins. The rear axle is made wider to accommodate air wheel tires which, however, are not standard equipment.

This luxury car includes all the major engineering improvements adopted for the entire Chrysler line as well as a number suitable for a car of this type. The custom Imperial eight comes in six body styles; four passenger, close-coupled sedan, seven passenger sedan, sedan limousine, convertible sedan, phaeton and convertible roadster. Its wheelbase is 146 ins. As its name implies, the bodies on the customs Imperial eight are custom built throughout.

# NEW CHEVROLET EXTERIOR TENDS TO "TEAR DROP"

## Suggestions of Users Followed in Design of Interiors

Appearance of the new 1933 Chevrolet differs entirely from previous Chevrolet models. Air stream styling, with skirted fenders and slanting V-radiator grill and windshield pillars, gives a suggestion of "tear drop" design to the new car.

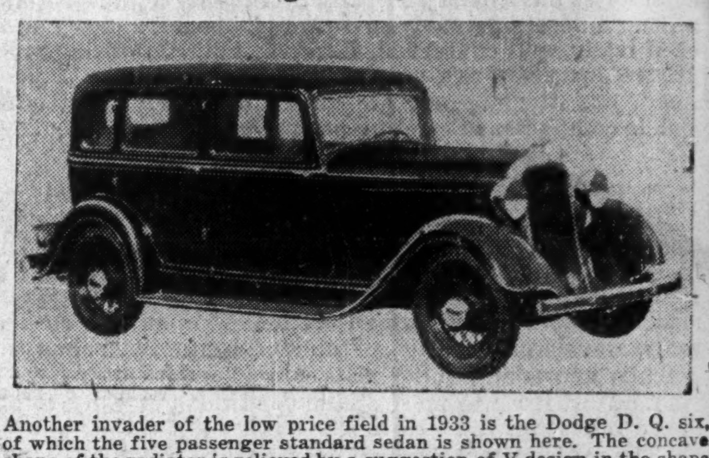
Suggestions offered by customers and car users, who replied to a recent series of advertisements, has been adjusted and pocket of design, particularly in the interior. The position of door handles have been adjusted and pocket storage space has been increased. Only one key is used for all purposes, and a broad accelerator pedal instead of the usual button has been provided. A better jack is supplied in the tool kit, and the battery has been made heavier and shielded against flying pebbles, and at the same time made more easily accessible.

**Freewheeling Optional**

Freewheeling has been eliminated, it is said, as a result of preferences indicated by the replies to the advertisement mentioned above. It can be obtained with an improved vacuum clutch at an extra cost for those who desire it. Larger tires and smaller wheels are features in the Canadian Chevrolets which are not seen in the United States models. This also is understood to be in accordance with preferences expressed by Canadian purchasers.

Several controls have been eliminated in the new Chevrolet. One of these is the starter button, instead of which a "starterator" has been added which starts the engine merely by pressing the accelerator pedal. If the car stalls in heavy traffic it may be restarted without removing the foot from the accelerator pedal and hence without disturbing the driver.

### *1933 Dodge D. Q. Six Sedan*



Another invader of the low price field in 1933 is the Dodge D. Q. six, of which the five passenger standard sedan is shown here. The concave shape of the radiator is relieved by a suggestion of V design in the shape of the grill. As in other Chrysler models, fender valances are not used.

TORONTO GREETS THE NEW 100 H.P. $1580 COMMANDER

THE NEW COMMANDER 5-PASSENGER SEDAN $1695 DELIVERED IN TORONTO, TAXES PAID AND COMPLETELY EQUIPPED HAS BEEN REDUCED $695 FROM THE PREVIOUS 1932 MODEL

*Studebaker Presents Startling New Line of Cars Delivered in Toronto from $1400 to $3425*

Enthusiasm reached a new peak with the initial public showing of Studebaker's new 1933 line, which includes the 100 h.p. Commander Eight, priced at $1,580 — the finest Commander ever built.

While the fact that a 100 horsepower Commander at a delivered price of $1,580 continues to be the spotlight news of the current Studebaker showing, local Studebaker officials point out that the two new President Eights and the new Studebaker Six are equally extraordinary values.

First with free wheeling and first in its price field with free safety glass in all windows and all windshields of all models, Studebaker again leads its price field with the year's stand-out development — Power Brakes — available in all Studebakers, even the low priced Six, without extra charge.

It is interesting to note how thoroughly Studebaker keeps in advance of style trends as well as engineering trends in its price field. Many of the features spoken of as new by other cars this year are an old story to Studebaker owners. Roominess, for example, obtained by providing each Studebaker a wider tread, was a big factor in giving the 1932 Studebaker line its widespread acceptance. And the 1933 Studebakers are not only equally commodious but they have been given new touches of luxury in upholstery, seat cushions and fitments that keep them far in advance of the procession.

You notice also that the 1933 Studebakers are decidedly low swung. This effect is secured by mounting the Studebaker frame on smaller wheels which give the whole car increased roadability and steadiness while increasing the aerodynamic appearance.

All 54 of the betterments that Studebaker sponsors for 1933 are included in all four of the new Studebakers and the motoring public thus gets full advantage of Studebaker pioneering regardless of the Studebaker model chosen.

O'DONNELL-MACKIE LIMITED

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## MODISH DE SOTO KEEPS RADIATOR ON CURVED PLAN

### Interiors Designed on Lines of French Quality Car

Chrysler's style car has always been the De Soto, and the 1933 models are no exception. Interiors of the new models have been patterned after a special custom body design for an expensive French car, built to order in Europe.

The exterior of the car has been re-designed along the lines of last year's model. The rounded racing-car type radiator has been retained, and its appearance has been further enhanced by toeing the shell out slightly at the bottom and curving the lower quarter into an oval design. This rests on the massive fenders which swing right across the front of the car in a graceful curve. A massive airplane propeller type bumper with ends verging upward add to the effect.

#### Six Cylinder Motor

The new six cylinder De Soto engine develops 79 h.p., and the car is said to be capable of a smooth speed of 78 miles per hour. The starter pedal has been eliminated, a step on the accelerator being all that is required to start the engine. A new transmission has also been incorporated in the 1933 model which is silent in all speeds including reverse, through use of helical gears.

Floating power, with two-point mounting of the engine, and free wheeling, with an improved automatic clutch, are also used in the De Soto. Weather proof hydraulic brakes with new centrifuse brake drums are standard.

Attractive interior features are the ash trays with small cups to extinguish cigarettes which are built into the rear compartment window moldings, also on the door moldings of the coupé and on both front door moldings of the sedan. Thus, there are four ash trays in the sedan. In addition to assist cords for the rear seats, two coat hangers are included in the equipment.

#### Adjustable Seat

The driver's seat is quickly and easily adjusted by means of a fast acting trigger latch so that driving is comfortable for the tallest person. A 2½ in. increase in width has been made in the rear seat.

A novel and decorated instrument panel is a feature in the 1933 De Soto. In the centre is an extra larged faced speedometer around which are the gasoline gauge, engine thermometer, oil gauge and ammeter. The instruments themselves have no markings, these being on the inside of the glass which covers the entire centre panel of the instrument board. A storage compartment for gloves is located on the dash also.

The rear window curtain in the sedan can be raised or lowered by the driver through a control located in the head lining above the left front door. This permits the driver to shut out glaring headlights from the rear which obscure the vision. Vanity mirrors are built in the front door pillars.

## HUDSON EXPECTS NEW TERRAPLANE WILL SELL WELL

### New Super Six Planned to Compete at Low Price

Hudson-Essex expects the low-priced Terraplane Six to be its sales leader in Canada during 1933. This car was introduced in July, 1932, and was responsible for raising the company's sales to a high level during the latter months of last year.

The new Terraplane models include characteristics which have been proven of value and have additional investments. The features being retained are a high ratio of power to weight and unit construction of the chassis and the body. Among the new features, it is understood that a roomier interior is being used with bodies of a standard, full size width.

#### Tests Made

Tests have been made of acceleration, ease of handling in traffic, hill climbing ability and the car's ability to sustain high speed, particularly on curves. Weather tests after snow and on ice have also been made in connection with the design of the new models.

A new super-six will be a feature of the Hudson line for 1933 as well as the line of eights. The plant at Tilbury, Ont., is about to start production on the new automobile. This is understood to be in an effort to gain a larger share of the low-priced field with a high powered six cylinder car.

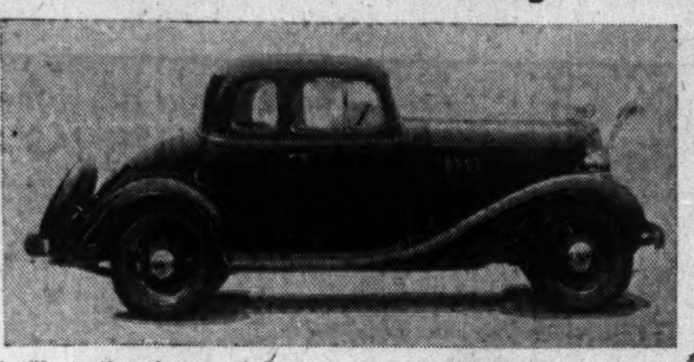
The unit construction of chassis and body design of the Terraplane is said to permit a light but rigid and strong structure without dead weight. The car is made in a new eight cylinder model as well as the six. The eight cylinder model is said to be capable of a speed of over 80 miles an hour. The fenders of the new Terraplane have been given a wider sweep at the front of the car, thus modernizing its appearance. There is also a change in the contour of the body which accentuates its low lines. This effect has been obtained by a curve of the body above the windshield in conformance with current style and eliminating the visor.

#### Gear Ratio

Gear ratio on all Terraplanes is now 4-1/9 to 1 which is said to permit better performance both on hills and on the level. Automatic two-way shock absorbers are standard equipment.

The new six-cylinder Hudson is built on a 113 inch wheelbase and is powered with a motor capable of developing 70 h.p. at 3200 r.p.m. A complete line of six modernized stream-line bodies are supplied on this chassis, including sedan, coach, four passenger coupe, two passenger coupe, convertible coupe and phaeton. The body structure is made up of an inner skeleton of pillars and supports joined together and covered with a sheet steel shell. The bodies are insulated for quietness and against engine fumes and draught.

### Pontiac Introduces New Eight



The illustration above is of the new 1933 Pontiac straight eight standard coupé. Emphasis is given to the streamlines of the body by use of slanting hood louvres and three corrugated lines on front and rear fender valances.

## DODGE INVADING LOW PRICE FIELD WITH NEW SIXES

### Slanting Radiator and Rounded Body Style Distinguish Car

Dodge has entered the lowest price field with a new six cylinder model priced from $730 to $800 f.o.b. Windsor. These prices are $365 to $375 lower than the 1932 Dodge six, and confirm the report of this development in The Financial Post four weeks ago.

The appearance of the new Dodge is attractive. The radiator slants toward the rear and carries the suggestion of V design. Hood and centre lines are molded in gradual curves and the low rear quarters give roundness to the body. The chassis is low hung to give roadability and the car is built on 107 inch wheelbase.

#### Floating Power

As in other Chrysler products, the engine has floating power, through two-point mounting, and the power unit is placed low in the frame. The torque spring of the floating power mounting is replaced by two rubber blocks which prevent excessive side sway of the engine when accelerating suddenly. The new Dodge engine develops 75 h.p. at 3,600 r.p.m. Carburetor is of single tube, down-draft type and the rate of water flow to cool the engine is regulated by an automatic thermostat.

The electric current for the starter is switched on only after the starting motor gear is fully meshed, with the fly wheel gear, thus preventing damage. Lamps on the new Dodge are finished in heavy chromium, and instrument panels have glareless lighting. Closed models have dome lights.

The new method of mounting the steering mechanism, cross steering, is said to eliminate wheel shimmy and cramping of the front wheels.

#### Automatic Clutch

Among other features on the new Dodge are a vacuum operating automatic clutch operating in conjuction with the throttle, and free wheeling. All gears including reverse, in the new Dodge operate silently. Low and reverse gears are practically as quiet as high gear. Freewheeling is locked in or out by a handy control button on the dashboard.

Brakes are of the hydraulic type and air wheel tires may be obtained in the new Dodge at small extra cost. Oilite inserts between the leaves of the springs are said to largely eliminate spring squeaks. The inserts excrete oil, keeping the spring lubricated at all times. All drivers' seats are fully adjustable for leg length. Bodies are of all steel mono-piece construction.

## 77 H.P. ENGINE OF 8 CYLINDERS IN NEW PONTIAC

### Skirted Fenders With Corrugated Lines Distinctive

An eight cylinder power unit is the feature of the new 1933 Pontiac. This engine will develop 77 h.p., although the Pontiac remains in the low price field.

The style of the new Pontiac is strictly modern, and the body has been curved and smoothed by stream lining. The hood is much larger than previously and the effect of length is increased by the V-grilled radiator which tilts back to the hood and cowl.

Like other General Motors models, Pontiac has skirted fenders. However, in this make they have incorporated three corrugated lines which give them a distinctive appearance. The effect of these valances is to conceal the undercarriage of the car.

#### More Riding Comfort

Riding comfort in the new Pontiac is said to be improved by the large 5.50-inch tires and by the 115 inch wheelbase. Springs are also very long, the front one being 34 ins. and the rear 54 ins. Love-joy hydraulic shock absorbers soften and restrict the action of the springs. The rear ends of the springs are attached to the frame through a special, self-adjusting shackle while the front ends are attached through a rubber bushing to eliminate the road shocks. The rear axle is also insulated from the springs with rubber. To retain the original lubrication of the springs, close fitting spring covers are made standard equipment.

### New Terraplane Six Sedan

Wider treads and roomier interiors are features of the new Essex Terraplane, of which the six cylinder standard sedan is shown here. Curved fender valances are designed to emphasize the streamlining of the new Terraplanes which are also made in eight cylinder models.

### Stream Lines Make New Cars Look Alike

It's getting past the stage when automobile body designs are adopted as a passing fancy. Science has taken a hand in it, with the result that one efficiently designed body is pretty hard to distinguish from another.

One manufacturer discovered this when he removed hoods and radiators from ten different popular sedans and let his factory staff try to identify them. Even the experts couldn't name more than two or three. Which seems to indicate the truth of one engineer's claim that with the adoption of scientific streamlining cars would begin to have a greater resemblance than before.

## IND. ACCEPTANCE EARNINGS IN 1932 STILL UNCERTAIN

### Company Has Built Business From Coast to Coast

No definite indication of earnings of Industrial Acceptance Corporation has been given for 1932, but latest reports indicate that the company's business was fairly well maintained in some lines, chiefly radios and electric refrigerators, during the year just concluded. Lower sales of automobiles caused this branch of the company's financing to decline in 1932, and this may cause a decline in earnings for the year.

Overdue payments were reported at a lower level than in 1931 recently, and repossessions were also on a lower scale in 1932 than in 1931, it is understood. This, in itself, to some extent reflects a decline in total volume of financing done in the year.

#### Business Built Up

Since its organization in 1925, the Industrial Acceptance Corporation has increased its total volume of business from approximately $1,000,000 to 15 times that amount, according to J. P. A. Smythe, vice-president and general manager of the company. During 1932 the corporation handled some 15 per cent of the total volume of automobile financing in Canada.

The company was originally incorporated to handle the installment purchasers of one make of cars and it now handles sales papers of all makes of automobiles and trucks as well as more than 50 other manufactured products, including electric refrigerators, oil burners, radios, industrial machinery, etc. In its seven years' history the company has become a nation-wide concern, with 14 offices from coast to coast in Canada, whereas it started with a single office, in Windsor, Ont.

Industrial Acceptance Corp. is entirely Canadian in directorate and personnel and its capital is now wholly Canadian. Directors of the company are Russell D. Bell, president, and C. F. Size, of Montreal, John W. McColl, Toronto, W. L. McGregor and N. A. McLarty, both of Windsor.

### Prince of Wales Sets Style in Car Radios

Music while he travels—song hits, symphonies, and organ music—evidently this appeals to the Prince of Wales, who has had a radio set built into one of his cars. It is a built-in feature of the car itself.

The radio chassis is concealed in a box under the rear seat foot rests. The aerial is wired into the roof. An automatic device regulates volume of sound as the car passes in and out of the shielded areas.

The Prince's conversion to motor car wireless may do something to help take radio out of the "accessory" class. Incidentally several new 1933 cars have all models wired for radio, which may be an indication of how the music-while-you-drive idea is spreading.

## FRONTENAC FOUR TO STRIVE IN FIELD OF LOWEST PRICE

### New Car Said Capable of Over 30 Miles Per Gallon

A new Frontenac 4-cylinder model will be Dominion Motors' challenge in the lowest price field for 1933. The new 4 is said to be capable of more than 30 miles to a gallon of gasoline, has a standard 56 in. tread, overall length of 163¼ ins. and appears in four body styles. This car is being produced in conjunction with a new Frontenac 6 which has 107 in. wheelbase and a 65 h.p. motor. The 4-cylinder model develops 40 h.p. at 2,700 r.p.m.

Both new Frontenac lines are strictly modern in appearance, with sloping V-shaped radiators. The fenders have been built with valances to conceal the chassis, and in front are so shaped that the deep recess is eliminated between hood and fender aprons. This allows more rigid fastening of the fender brackets to both the chassis side member and the cross member. The contour of the rear fenders harmonizes with the beaver-tail box of the body, which has been built especially to overcome air resistance.

#### New Mechanism

New mechanical features which apply to both the new Frontenac Four and the new Six include new chassis developments to remove excess weight. This includes panelled chassis side members and a new unique tubular cross member. Other features include three-point engine mounting to eliminate motor vibration, one U type spring shackle for the entire chassis, transmissions with helical gears to give silent mesh, self lubricating fan, radiator filler inside the hood, combination throttle and choke control and complete taper roller bearing equipment. The manufacturers claim from 15 to 30 per cent less unsprung weight.

Winged power is the term applied to the new method of mounting the power plant in the Frontenac chassis. The three mountings consist of a saddle type rubber mounting, supporting the rear of the engine, and two mountings located on either side in front of the engine. The front mountings consist of coil springs surrounding rubber cores and are claimed to be a strong factor in keeping engine vibration from being transferred to the chassis and body.

## MASSIVE LINES 70 H.P. MOTOR NOW IN ROCKNE

### Automatic Starting Now Standard on All Rocknes

Rockne six for 1933 will make its first public appearance in Canada at the National Motor Show in Toronto on Jan. 14. The appearance of the car has been changed by a new handling of front fenders which conceal under parts of the chassis and give a massive appearance to the front. Radiators and windshields are slanting, visors have been eliminated, and streamlined tops and air-foil apron at the rear reduce wind resistance.

Increased power has been given to the Rockne motor this year, and it now develops 70 h.p. at 3,200 r.p.m. Automatic starting has been incorporated also, and requires only the turning of a key to start the motor. Automatic re-starting is standard on all Rockne models. Models include de luxe and standard five passenger sedan, de luxe and standard coach, de luxe and standard coupé, deluxe and standard five passenger convertible sedan and de luxe and standard convertible roadster.

#### Engine Rubber Mounted

The motor in the Rockne is mounted in rubber at 4 suspension points. The wheelbase of the new car is 110 inches, and this length, plus the lowering of the body by one inch, has added to safety of operation and gives the car a modern smartness. The bodies are of one piece steel construction, made into one piece by welding. Freewheeling is standard equipment in the Rockne models, and the control is located on the dash board. Headlight switch and dimmer control is on the floor at the right of the clutch pedal, making changes in the lighting possible without moving the hand from the steering wheel. Brakes are of the four-wheel mechanical type, and wheels carry full balloon tires 18 x 5¼ inches on all standard models. Hydraulic shock absorbers are standard.

Other mechanical improvements in the new Rockne include synchronized gearshift and silent second, freewheeling, thermostat temperature control, four wheel hand brakes, engine heat indicators on dash and vibration dampeners.

## GRAHAM'S LINE TWO 8'S, ONE 6 FOR NEW YEAR

Graham, adopting slipstream contours, and enhancing that design through styling in accessories and trim, is bidding for 1933 favor with two eights and a six, all in the modern mode.

Deep-skirted fenders, rounded hood, sloping radiator, and all-over harmony of line are retained in the 1933 models.

Graham has designed a set of bumpers that break away from the usual straight line into two distinct chromium bumper plates, separated in the centre. The deep-skirted fender has a chromium strip that serves as a molding along the edge of the running board, and defines the lower edge of the skirt.

The Graham line retains the 95 horsepower custom eight, with overall length of 195 inches. In addition, there are the standard eight, with an overall length of 191 inches, having the same 95 horsepower aluminum-head high-compression engine as is used in the custom eight, and the standard six, overall length 185 inches, having an 85 horsepower aluminum-head high-compression engine.

## PLYMOUTH HAS 70 H.P. MOTOR, DEEP FENDERS

### Offers Floating Power in Lowest Price Field

A deep sloping radiator with wide fenders dipping down as low as the front bumper are the chief distinguishing marks on the new Plymouth Six. The rear fenders also dip low, as does the body at the back, thus concealing the gasoline tank and the under carriage of the car.

The new 1933 Plymouth is the first six cylinder floating power car in the lowest price field. The new engine as in other Chrysler products is mounted in rubber at two points, and develops 70 h.p. at 3,600 r.p.m. The car is built on a 107 inch wheelbase chassis.

#### Easy Shift Transmission.

Easy shift transmission is a feature in the new Plymouth. In this car it is not a completely silent gear throughout, but provides silent second. The car has free wheeling of the cam and roller type. Quick starting is aided by means of a choking valve and a carburetor acceleration pump is connected to the foot accelerator.

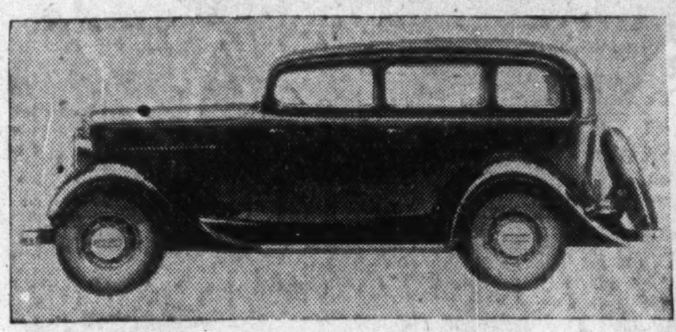
In addition to the automatic clutch, an inertia compensator has been added which automatically adjusts the rate of clutch engagement.

An unusual design of steering mechanism known as cross steering has been incorporated in the new Plymouth as in other Chrysler models. This permits the steering wheel to be tilted back at a more convenient angle, and the makers claim that it eliminates shimmy and road shock. Brakes are of the internal expanding hydraulic type with centrifuse brake drums. This innovation is said to dissipate the heat generated in quick deceleration.

#### Adjustable Seats

All front seats in the new Plymouth are adjustable by means of a quick acting trigger latch which allows the seat to be pushed backward or forward at will. Duplate safety glass windshields are standard equipment in all models and may be obtained for all windows at small extra cost. A novel feature is the radiator filler pipe which is located under the hood instead of on the outside of the radiator.

### 5 Passenger Frontenac 4



Above is shown the new 1933 Frontenac four, five passenger, four door sedan, with which Dominion Motors will compete in the low price field this year. The makers claim an economical gasoline consumption of over 30 miles to the gallon for this new Frontenac which will be one of the lowest priced cars on the market.

### 1933 Rockne Regular Sedan

Increased body dimensions have been incorporated in the new 1933 Rocknes. The regular four door sedan model is shown above. The new body allows more leg room in the rear compartment. Note the blunt effect which the aero dynamic lines give to the front of the car.

## "ROYAL EIGHT" NEW CHRYSLER AT LOW PRICE

### Contains All Advances Developed in 1933 Chrysler Line

Chrysler is invading the moderate price field in 1933 with a new eight cylinder model, called the Royal eight, which will sell in the $1400 price class.

This car will have all the major improvements introduced in this year's Chrysler line, and is built in four body styles; five passenger sedan, rumble seat coupé, convertible coupé and convertible sedan. The wheelbase is 120 ins., and the over-all length, including bumpers, 178¾ ins. The power unit develops 90 h.p. and includes down draft carburetion, automatic heat control, thermostatic water heat control and floating power mounting.

#### No Starter Button

Starting is controlled at the accelerator pedal by an electrical device, thus eliminating the starter button. The new all-silent transmission is also included in the Royal eight. This means that first and reverse gears are just as silent as higher speeds. In operation in lower gears the car glides from a standing position in an impressive manner.

Other features in the Royal eight are a new type of automatic clutch with pendulum controlled valve, thermostatic fast-idle control, automatic inertia-type shock absorbers,

## FLOWING LINES, FENDER SKIRTS FEATURE BUICK

### 1933 Cars Built Lower and Somewhat Heavier

The new body design of the 1933 McLaughlin-Buick model gives the car long, flowing lines. Windstream lines, made possible partly by widening the treads 1½ inches, are used, and skirted fenders are also featured. The effect of this is to conceal the entire chassis with the exception of the wheels.

The straight eight power plant in the Buick is said to have been improved by new mountings; by electro-plated pistons to obviate breaking-in, and by additional oil and pressure rings. A simpler hook-up and use of roller bearings make brake action easier.

#### Lower to Road

The 1933 Buick is built lower to the road and is somewhat heavier than last year. Shatter-proof glass is used for windshield and ventilating wings, and a controlled system of headlighting has been adopted to make passing safer.

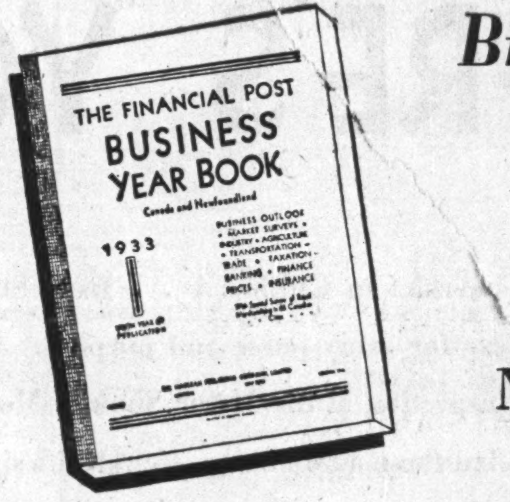
The manually operated ride control introduced by Buick last year has been superseded by an automatic shock absorber system. Heat control for the carburetor is also automatic, and engine temperature control replaces radiator shutters. The automatic clutch is said to be smoother than previously.

V-type, sloping radiators featuring a restrained use of chromium to emphasize the lines, have been used in the new cars, in accordance with the expressed wish of the motoring public in a recent advertising campaign.

#### Bronze Panels

There are more luxurious interior features in the 1933 McLaughlin-Buick than previously. Antique bronze panels surround the dials and the instrument board, and vanities and smoking sets are features of closed models. Package compartment, ash receiver and cigar lighter are among the fittings. All bodies are wired for radio.

There are four wheelbases for the four Buick series, the smallest being 119 inches and the largest 138 inches. There are 25 models in the line. Wire wheels are standard on all models, all cars having five wheels except special jobs, which have six.



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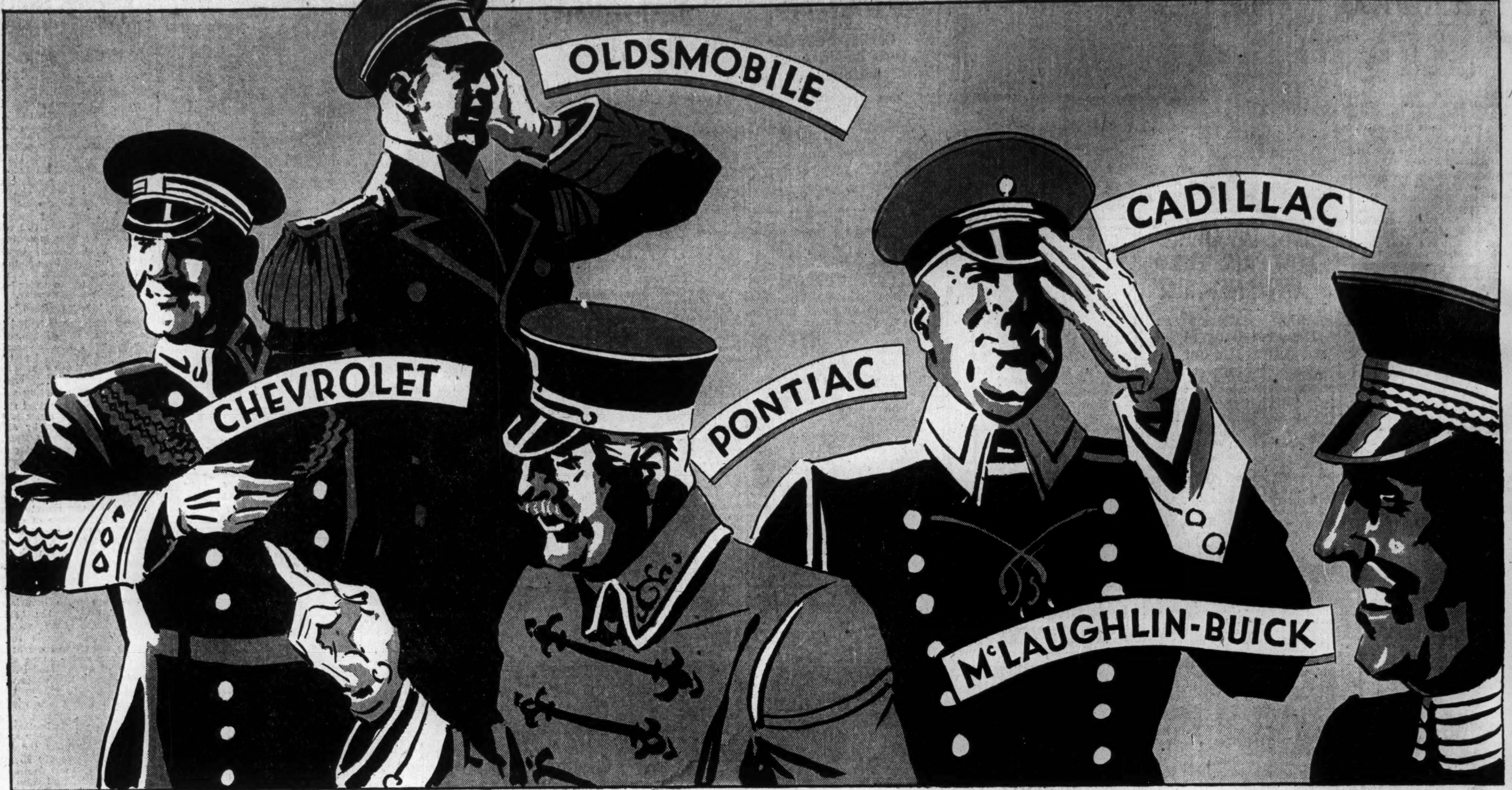
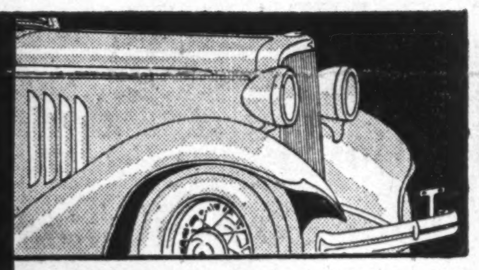


# HERE'S YOUR CAR, SIR!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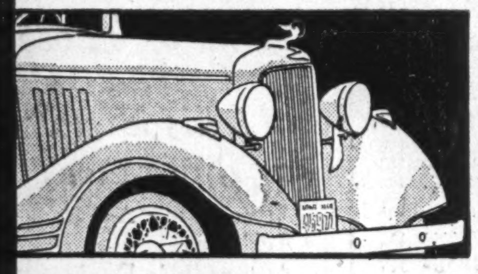
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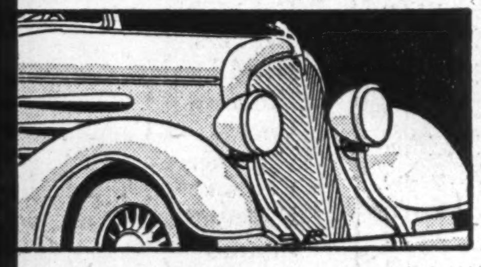
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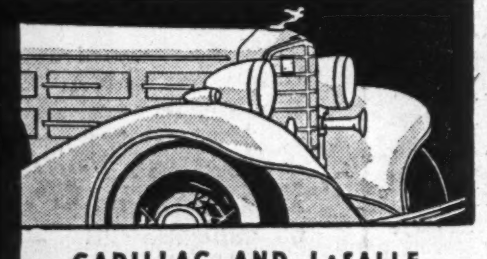
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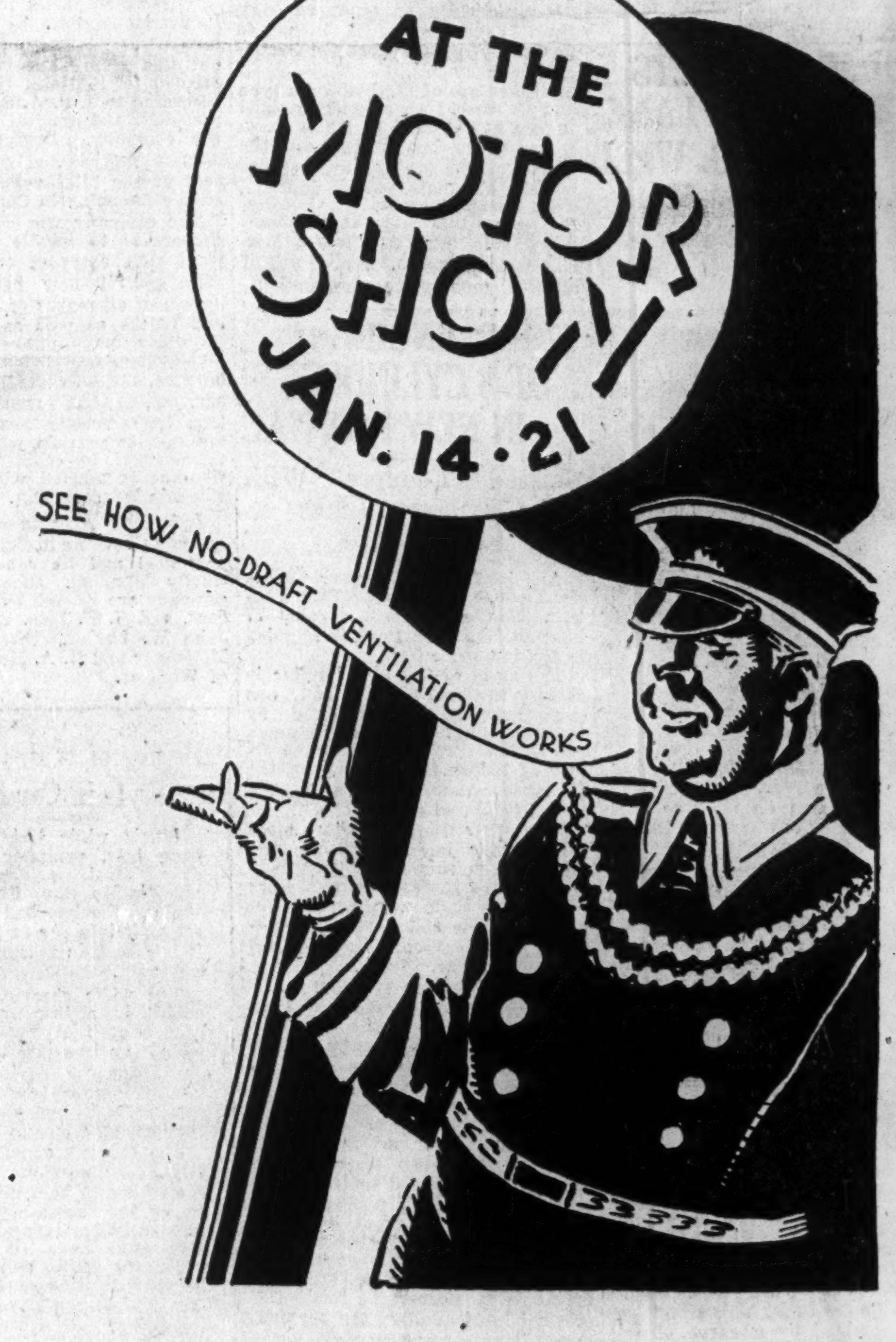
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